

Rice

18-23 June, 2007

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS

Kharif Rice Sowing is Increasing

India's planting of rice till 14th June this year has been higher than the same period last year. The planting of rice up to this period is estimated at 10.65 lakh hectares, slightly higher of 1.0 lakh hectares a year earlier. The further advance of Monsoon favours the sowing of rice. All most all the rice growing regions have started the rice plantation. The sowing of has been progressing well and monsoon rain supports this. Normally, kharif sowing starts from June 1 and continues till July end. Kharif crops are harvested in September-October.

Export of Non-Basmati Rice is Growing:

As per the APEDA's Monitoring of Agri-commodity, the export of non-Basmati rice grew to Rs 3,302 crore in April 2006 to January 2007 from Rs 2,705 crore during the same period in last year where as the Basmati rice export dipped by about 8 per cent to Rs 2,212 crore from Rs 2,422 crore during the same period. The slump in Basmati rice export was mainly due to high prices.

Bangladesh to Import Non-Basmati Rice

Bangladesh is seeking to import 150,000 metric tonnes of optional origin non-basmati parboiled rice through its Directorate-General of Food. The tender for the import of the above quantity of rice is to be concluded on August 1. The bid prices will include cost, insurance and freight charges. On June 4, the Directorate-General of Food issued separate tenders to import 200,000 tonnes of optional-origin non-basmati parboiled rice and 212,000 tonnes of optional origin wheat, which will conclude on July 17.

EU may Tighten Basmati Rice Import

The European Union (EU) is all set to review its import regime as Indian basmati rice has begun flooding its markets. Concerned with the surge in basmati rice imports from India, Brussels is planning to put in place a DNA testing protocol, which can allow imports of genuine basmati rice. But Apeda Chairman, KS Money demanded that there should be a common DNA testing protocol for both India and Pakistan and the process should be transparent. The global market size for basmati rice is over \$ 1167 million and in 2005-06 over 2 million tonne was

exported by India and Pakistan of which the former's share is 58.16%. According to EU data, in 2005-06 India exported 178,000 tonne basmati rice to Europe, which increased to 226,000 tonne in 2006-07 in contrast to Pakistan's export of 41,478 tonne in 2005-06 and only 27,000 tonne in 2006-07.

Rice: USDA Weekly Export Sales Highlights

Net sales of 35,300 MT were 30 percent below the previous week, but 6 percent over the prior 4-week average. The primary buyers were Mexico (16,500 MT), Honduras (7,300 MT), Canada (4,000 MT), Guatemala (3,500 MT), and Japan (2,000 MT). Exports of 31,700 MT were 58 percent below the previous week and 50 percent under the prior 4-week average. The major destinations were Haiti (11,600 MT), Mexico (7,200 MT), Canada (5,400 MT), and Taiwan (2,500 MT). (This summary is based on reports from exporters for the period June 14-06, 2007).

Source: FAS, USDA.

DOMESTIC MARKET COMMENTARY

The export of non-basmati rice continues to steady to better demand whereas the prices of basmati varieties have been increased slightly. In domestic rice markets, the prices are mostly unchanged amidst a restricted arrival on the back of a subdued demand. The further progress of monsoon towards the rice growing regions hindered on the arrival but weak demand kept the market remained stagnant. In the expectation of a high price in future, the big farmers are holding back their products. The markets are also witnessing a less demand from the exporters. In Delhi and Punjab, Basmati rice was traded in the range of Rs. 3800-3900/qtl while in Haryana, it is Rs. 4500/qtl. DB Sella was traded Rs. 3400-3500/qtl in Delhi and Rs. 3100-3300/qtl at Rudrapur market. In the short term, the domestic prices are likely to remain unchanged but the strong export demand is expected to drive the prices up. The Ministry of Agriculture also expects in the increase of acreage in rice as the period from June 1 to June 14 shows 1.0 per cent increase in sowing compared to the last year's same period.

DELHI MARKET:**Market Price For Different Varieties Of Rice In Delhi Mandis (Rs. per Qtl.)**

Delhi	16.06.07	23.06.07
Basmati Common	3800-4000	3800-3900
Sharbati raw	2000-2100	2100
Sharbati sella	2000-2100	2000-2200
Parmal raw	1225-1250	1200-1250
Parmal sella	1250-1350	1250-1300
DB Rice	3300-3600	3400-3500

RUDRAPUR MARKET:**Market Price For Different Varieties Of Rice In Rudrapur Mandis**

RUDRAPUR	16.06.07	23.06.07
Parmal paddy	650	650
Parmal raw rice	1160	1150
Basmati paddy		
Basmati rice		
Sharbati sella	2200	2300
DB sella	3000	3100-3300

KARNAL MARKET:**Market Price For Different Varieties of Rice In Karnal Mandis**

KARNAL	16.06.07	23.06.07
Basmati rice raw	4500	4500
Sharbati esteem	2300	2350
Sharbati sella	2300	2350
Parmal raw rice	1250	1250
Parmal sella	1225	1225
IR8	1150	1150

WEST BENGAL MARKET:**Market Price For Different Varieties Of Rice In West Bengal**

WEST BENGAL (Burdwan)	16.06.07	23.06.07
IR 36 (super)	1400	1400
Minikit Shankar	1600	1600
Doodh Kalma	1600-1650	1600-1650
Swarna (New)	1300	1300
Pankaj	1300	1300
Swarna parboiled	1500	1500
Govindobhog	2400	2400
Chawl Moni	1700	1700

AMRITSAR MARKET:**Market Price For Different Varieties Of Rice In Amritsar**

AMRITSAR	16.06.07	23.06.07
Sharbati sella rice	2000	2050
Sharbati raw rice	2050	2100
Sharbati esteem	2150-2250	2250
Basmati rice raw	3800-3900	3800
Basmati Paddy	1950-2000	2000
Parmal Govt. Quality	1150	1150
Parmal Wand (New)	1275	1275

CONCLUSION

Although the export of non-basmati rice has been increased but the price of the basmati rice has been increased in the domestic markets due to exporters demand coupled with a restricted arrival. In short to medium term, the prices may be range bound but a good demand from the exporters may likely lead to the slightly increase of Basmati price.

PORT WATCH (As on 22 June, 2007)

Loading of 14604 tonnes of rice has been completed in Kandla Port on 22.6.2007. Aditya M. is handling is the Yaad E.M vessel.

Monsoon Outlook (20.06.06)

Southwest monsoon further advanced into some more parts of Telangana, remaining parts of coastal Andhra Pradesh, northwest Bay of Bengal & Gangetic West Bengal, some parts of Chhattisgarh, Orissa, Jharkhand and East Uttar Pradesh and some more parts of Bihar on 14th June. It advanced into some more parts of Central Arabian sea, Konkan & Goa, some parts of Madhya Maharashtra & Marathawada, some more parts of Telangana, Jharkhand, Bihar & East Uttar Pradesh and some parts of Uttarakhand on 15th June. It advanced into remaining parts of central Arabian sea and Konkan & Goa, some more parts of Madhya Maharashtra and Marathawada, remaining parts of Telangana, some parts of Vidarbha and some more parts of Chhattisgarh, Orissa and Jharkhand on 18th June.

Outlook For The Week Ending On 27th June 2007

1. The well marked low pressure area over east-central & adjoining west-central Bay of Bengal is likely to concentrate into a depression and move in a west-north-westerly direction across north Andhra Pradesh, Vidarbha, Madhya Maharashtra and Gujarat. Under its influence, Widespread rains with scattered heavy to very heavy falls are likely over Andhra Pradesh, south Orissa, south Chhattisgarh and Vidarbha during 21 to 23 June. Subsequently, with the likely west-north-westward movement of the system, the enhanced rainfall belt is likely to shift to rest Maharashtra, Goa, Karnataka, south Madhya Pradesh, Gujarat and southeast Rajasthan during 23 to 26 June. Isolated extremely heavy rains of more than 25 cm are also likely over Coastal Andhra Pradesh, Telangana and Vidarbha during 21 to 23 June and over Coastal Karnataka, rest Maharashtra including Mumbai, Goa and Gujarat during 23 to 26 June.

2. In association with the above system, southwest monsoon is likely to advance further into remaining parts of Orissa, Chattisgarh & Maharashtra, entire Gujarat and parts of Madhya Pradesh and Rajasthan during next 5 days.
3. Widespread rainfall with scattered heavy to very heavy falls are likely to continue along the west coast.
4. Decrease in rainfall activity over Orissa, Andhra Pradesh, and Tamil Nadu during second half of the week.
5. Decrease in rainfall activity over north-eastern states.

6. Another Low-pressure area is likely to form over the north Bay of Bengal around 27th June 2007.
Source: GOI (IMD).

FOREX (As on 28th JULY, 2006):

Foreign Currency	Rs. per unit
1 US \$	40.71
1 Euro	54.63
100 Yen	32.84
1 British £	81.24

SUMMARY PROGRESS OF KHARIF RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 15.06.07)		
	This Year	Last Year	Difference
381.89	11.61	10.65	+1.0

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 08.06.07

(Lakh tonnes)

State	Total procurement in marketing season 2005-06 (Oct.- Sept.)	Progressive Procurement as on 15.06.07	
		In Marketing season 2006-07	In Marketing season 2005-06
Andhra Pradesh	49.72	51.40	40.69
Chhattisgarh	32.65	25.20	27.87
Haryana	20.54	17.73	20.40
Kerala	0.94	1.51	0.94
Maharashtra	1.94	0.97	1.45
Orissa	17.85	17.48	13.74
Punjab	88.55	78.20	88.37
Tamil Nadu	9.26	10.69	7.83
Uttar Pradesh	31.51	21.01	25.62
Uttaranchal	3.36	1.76	3.28
West Bengal	12.75	5.72	12.43
All-India	276.56	237.75	249.69

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$335	5% DP	\$303
5%	\$325	5%	-
10%	\$320	10%	\$295
15%	\$312	15%	\$290
25%	\$295	25%	\$285
35%	-		-
Parboiled	\$330		-
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	15%	-
25%	\$280	25%	\$270
Parboiled	-	Parboiled	\$280

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