

Rice

06^h-11th Aug, 2007

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS

Kharif Rice Sowing Lagging Slightly

As per the Agriculture Ministry's Crop Weather Watch Report released on Friday, the total coverage of rice till August 9 stood at 260.77 lakh hectare, slightly lower compared to 261.74 lakh hectare at this time a year before because floods in north eastern provinces and eastern region of the northern province of Uttar Pradesh has somewhat delayed sowings. Transplanting of rice has started in the states of Andhra Pradesh, J&K, Karnataka, Kerala and Tamil Nadu. The sowing is at ending stage in the states of Haryana and Punjab. Transplanting is at peak in rest of the states. The rice output is expected to be around 92.76 million tones compared to last 10-years' average of 88-90 million tonnes. India's rice stocks have fallen to around 13.1 million tonnes as of April 1, 2007. Normally, kharif sowing starts from June 1 and continues till July end. Kharif crops are harvested in September-October. This kharif crop year also expects rise in output due to application of advanced technology and seeds.

Heavy Rainfall Damaged Rice Crops

Floods caused by heavy monsoon rain in the past week has submerged thousands of hectares of agricultural land in Eastern India which include the damage of vast areas of rice of crops. According to the government estimates, the major rice growing states have been severely affected. In Bihar, near about one million hectares of cultivable land is said to have been submerged while in Assam, another major rice producing state, near about 350,000 hectares of land had been flooded for a week now. Uttar Pradesh and Orissa have also been affected by flood after unusually heavy rains caused the disintegration of riverbanks.

DDR Developed New Technique on Forewarn Rice Blast

Directorate of Rice Research at Hyderabad has developed a system to forewarn rice blast. The system was the outcome of years of on-field studies carried out in various districts in Andhra Pradesh. The system will provide information to farmers on when and to what extent of the rice fungus will attack the paddy fields. A fungus, *Piricularia grisea*, causes Rice blast. DDR scientists can now successfully forecast the onset of pest at least a fortnight in advance. The forewarn rice blast would help the integrated disease management strategy which will help in

reducing the consumption of fungicides and maximize environmental pollution and health hazards.

Bangladesh to Import 50,000 Tonnes Rice From India

Bangladesh's Advisor's Committee Meeting on Purchase approved for the import of 50,000 tonnes of rice from India to meet its procurement targets and keep the rice prices unchanged. LMJ International Ltd., an Indian Company, was the lowest bidder to supply rice to Bangladesh. The company succeeded by offering \$349.90 per tonne while two other Indian bidders offered \$368.11 and \$372 per tonne. The value of the total volume of rice is \$18.6 million.

Pakistan not to fix Indicative Rice Prices

Government of Pakistan has decided not to fix indicative rice prices for the current fiscal year as the farmers got good price of rice in the local market in the last fiscal year. Pakistan's farmers were also affected by the heavy floods, which damaged the standing crops and delayed the sowing process of paddy. For the current crop year, rice output is expected to reach around 5.72 million MT from 2.59 million hectares. To maintain the domestic price level, government is also planning to import rice from the Asian countries.

Rice: USDA Weekly Export Sales Highlights

Net sales of 30,300 MT were three and one-half times the previous week, but 19 percent below the prior 4-week average. The primary buyers were Japan (26,100 MT, including 26,000 MT late reporting), Canada (1,600 MT), and Australia (1,100 MT). Net sales of 20,500 MT for delivery in 2007/08 (which began August 1) were mainly for Nicaragua (9,000 MT), the United Kingdom (5,400 MT), Mexico (2,100 MT), Jordan (2,000 MT), and Honduras (1,600 MT). Exports of 73,000 MT were 79 percent above the previous week and 21 percent over the prior 4-week average. The major destinations were Japan (27,100 MT, including 26,000 MT late reporting), Mexico (13,900 MT), Honduras (5,600 MT), Taiwan (4,600 MT), Canada (4,000 MT), Haiti (3,800 MT), and Jamaica (3,500 MT). Accumulated exports for Nicaragua were adjusted down for long grain rough rice 2,500 MT and long grain brown rice 2,100 MT. (This summary is based on reports from exporters for the period July 20-26, 2007).
Source: FAS, USDA.

DOMESTIC MARKET COMMENTARY

Export demand from Europe and Middle East for basmati has boosted the domestic market prices from last week's Rs.4200-4500/mtl to 4300-4600/mtl. In markets like Delhi, Haryana, Punjab and Uttaranchal, the sentiments for the non-basmati varieties remained unmoved against a normal supply-demand situation while in West Bengal, prices surged sharply for all varieties due to a good export demand, more particularly from Bangladesh coupled with normal domestic demand from the severe flood hit states like Bihar. Further, last few days severe rainfall over West Bengal created logistic problems, which further pushed up the prices against a strong demand. The prices of IR36 stood at Rs.1600/mtl, up of Rs.200/ from last week's Rs.1400/mtl and Swarna parboiled quoted at Rs.1700/mtl from last week's level of Rs.1300/mtl. Minikit sankar, Doodh Kalma, Swarna New, Govind Bhog and Chawl moni traded up at Rs.1800/mtl, Rs.1800-1900/mtl, Rs.1400/mtl, Rs.2500/mtl and Rs.2100/mtl respectively from the previous week's price level of Rs.1700/mtl, Rs.1600-1700/mtl, Rs.1300/mtl, Rs.2400/mtl and Rs.1800/mtl of the above varieties. Traders in Uttaranchal and Punjab believe that rice varieties of parmal paddy and parmal rice may trade down in the coming days as new raw paddy started arriving into the market.

In the export markets, prices are steady with IR-64 is quoted at \$295-300 per MT FOB and parboil export price stood at \$310 per MT FOB. The export of Sharbati rice traded firm at \$680 per MT FOB and pusa basmati quoted up at \$1100 per MT FOB from previous price trend of \$1050 per MT FOB. Broken parmal export price remained unchanged from last few weeks' price of \$275 per MT FOB.

DELHI MARKET:

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

Delhi	04.08.07	11.08.07
Basmati Common	4450	4450
Sharbati raw	2500	2500
Sharbati sella	2250	2350
Parmal raw	1275	1300
Parmal sella	1275	1275
DB Rice	3600	3700

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	04.08.07	11.08.07
Parmal paddy	625	625
Parmal raw rice	1200	1200
Basmati paddy	-	-
Basmati rice	-	-
Sharbati sella	2400	2400
DB sella	3200	3200

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	04.08.07	11.08.07
Basmati rice raw	4500	4500
Sharbati esteem	2400	2400
Sharbati sella	2400	2400
Parmal raw rice	1250	1250
Parmal sella	1250	1250
DB Rice Sella	3500	3500
IR8	1100	1100

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL (Burdwan)	04.08.07	11.08.07
IR 36 (super)	1400	1600
Minikit Shankar	1700	1800
Doodh Kalma	1600-1700	1800-1900
Swarna (New)	1300	1400
Pankaj	1300	1400
Swarna parboiled	1300	1700
Govindobhog	2400	2500
Chawl Moni	1800	2100

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	04.08.07	11.08.07
Sharbati sella rice	2300	2300
Sharbati raw rice	2300	2300
Sharbati esteem	2450	2450
Basmati rice raw	4100-4400	4600
Basmati Paddy	2500	2500
Parmal Govt. Quality	1050	1050
Parmal Wand (New)	1200	1250

CONCLUSION

India's Basmati rice export may trade steady to slightly increase due to good overseas demand. In the short term, rice sentiments are likely to remain bullish while in the medium term; the prices may slash down for some rice varieties with the arrival of new crops into the market.

PORT WATCH (As on 10th August, 2007)

In ongoing financial year, till now, more than a million tonnes of rice has been exported from the Kakinada old port and more than doubled is expected till the end of this financial year. From the Kandla Port, Al Mansoor by Aditya

group is handling the export of 8500 tonnes of rice and MERCISM by SAI SHG is handling the export of 13482 tonnes of rice. Kakinada old port, at present, there are near about 90 barges are in functional condition. Mr B. Ramamurthy, the president of the Kakinada Steel Barge Owners' Welfare Association, is of the view that the State Government has to take a long-term view of rice exports and build up the infrastructure at the port accordingly. Rice exports kept the old port at Kakinada busy for the second successive year.

Monsoon Outlook (08.08.07)

An upper air cyclonic circulation lay over north Bay of Bengal extending upto mid-tropospheric levels and tilting southwestwards with height on 3rd August. Under its influence, a low pressure area formed over northwest Bay of Bengal off North Orissa-West Bengal coast on 4th. It concentrated into a depression at 0530 hrs IST of 5th August over the same area near Lat 20.0° N and Long 88.5° E, about 230 Km southeast of Balasore. It moved westwards and intensified into a deep depression and lay centred at 2330 hrs IST of the same day, near Lat 20.0° N / Long 87.5° E about 100 km southeast of Chandbali. It further moved west-north-westwards, crossed Orissa coast to the north of Paradeep between 0630 & 0730 hrs IST of 6th August and lay centred at 0830 hrs IST of same day over coastal Orissa, close to Cuttack. It continued to move west-north-westwards and weakened into a depression and lay centred at 0830 hrs IST of 7th August over Chhattisgarh, close to Raipur. The system moved west-north-westwards and further weekend into a well marked low pressure area over central Madhya Pradesh and neighbourhood at 1730 hours IST of the same day. It lay over West Madhya Pradesh and neighbourhood on 8th August.

An off-shore trough extended from Konkan coast to Kerala coast on 2nd and from south Gujarat coast to Kerala during remaining days of the week. The last week's upper air cyclonic circulation over south coastal Andhra Pradesh &

neighbourhood between 1.5 to 5.8 km a.s.l. lay over west-central Bay of Bengal and adjoining north Coastal Andhra Pradesh on 2nd and became less marked on 3rd.

Last week's trough in westerlies ran from central Pakistan to northeast Arabian Sea during 2nd -6th in lower tropospheric levels and became less marked on 7th. An embedded cyclonic circulation lay over central Pakistan and adjoining Punjab on 2nd & 3rd and became less marked on 4th. However, another cyclonic circulation lay over southeast Pakistan and neighbourhood in lower tropospheric levels during 4th- 7th. The axis of the monsoon trough lay in its normal position or to the south during the week.

Outlook For The Week Ending On 15th August 2007

1. A low pressure area is likely to form over north Bay of Bengal around 10th August causing increase in rainfall activity over east India & central India.

Source: GOI (IMD).

FOREX (As on 11th August, 2007):

Foreign Currency	Rs. per unit
1 US \$	40.67
1 Euro	55.60
100 Yen	34.44
1 British £	82.12

SUMMARY PROGRESS OF KHARIF RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 03.08.07)		
	This Year	Last Year	Difference
381.89	219.89	223.03	-1.4

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 03.08.07

(Lakh tonnes)

State	Total procurement in marketing season 2005-06 (Oct.- Sept.)	Progressive Procurement as on 27.07.07	
		In Marketing season 2006-07	In Marketing season 2005-06
Andhra Pradesh	49.72	52.93	46.85
Chattisgarh	32.65	28.27	31.80
Haryana	20.54	17.73	20.40
Kerala	0.94	1.51	0.94
Maharashtra	1.94	0.97	1.45

Orissa	17.85	19.66	16.58
Punjab	88.55	78.26	88.49
Tamil Nadu	9.26	10.77	8.58
Uttar Pradesh	31.51	25.49	31.20
Uttaranchal	3.36	1.76	3.28
West Bengal	12.75	6.08	12.64
All-India	276.56	249.35	269.35

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current, 02.08.07)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$336	5% DP	\$310
5%	\$330	5%	-
10%	\$325	10%	\$305
15%	\$315	15%	\$298
25%	\$300	25%	\$290
35%	-		-
Parboiled	\$339		-
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	15%	-
25%	\$295	25%	\$295
Parboiled	-	Parboiled	\$310

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