

Rice

08-14 Sept, 2007

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS

Kharif Rice Sowing Up on Good Monsoon

As per data compiled by Agriculture Ministry as on September 14, the total coverage of kharif rice has gone up to 355.73 lakh ha as compared to 355.16 lakh hectare last year. Well-distributed monsoon supported the increase in acreage. Transplanting is at ending stage in the states of Gujarat, Haryana, Maharashtra, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal. In rest of the states transplanting is at peak. The rice output is expected to be around 100 million tonnes compared to last 10-years' average of 88-90 million tonnes. Normally, kharif sowing starts from June 1 and continues till July end. But this year it has been extended to September last as climate is favouring for the plantation. Kharif crops are harvested in September-October. Rice output may reach 10 million metric tonnes in next four years with area specific planning, use of improved seeds and technology.

Rice Production in 2006-07 Up To 92.76 MT Against 91.79 MT Last Year

Availability of rice for the fiscal 2006-07 has increased but below the expected consumption. The projected rice consumption requirement stands at 91.84 million tonnes excluding the industrial demand, while the availability would be 85.70 million tonnes in 2006-07. The production of rice in 2006-07 has gone up to 92.76 million tonnes against 91.79 million tonnes in the previous year. The availability of rice has been taken as 92.4 per cent of rice output, by excluding 7.6 per cent as seed, feed and wastage. The Government has recently approved two schemes viz. (i) National Food Security Mission (NFSM) for increasing the productivity and production of rice and (ii) Additional Central Assistance Scheme (ACAS) for incentivising the States to invest more in agriculture sector which, in turn, is expected to improve the yield.

China's Rough Rice Output Around 186.50 MT in 2007 - CNGOIC

China National Grain and Oil Information Center (CNGOIC) predicted China's rough rice output in 2007 is expected to be around 186.50 million tonnes, an annual increase of 3.93 million tonnes. The increased production due to good rice growth in the rice producing provinces of Heilongjiang and Anhui, both of which have improved output per hectare.

China's rice acreage in 2007 may drop around 70,000 hectares from last year's level to 29.23 million hectares.

NFA of Philippines To Float Tender For \$20M Worth of US Rice on Sep. 19

Philippine National Food Authority (NFA) is likely to float a tender by September 19, to buy \$20 million worth of rice from the United States for November delivery, a senior official said Tuesday. Before importing, they will carry out a test to assure that the rice is not genetically modified strains. The import of rice will help boost local stocks following a delay in the planting of the country's main crop. Philippine has so far contracted to buy 1.64 million tonnes of rice this year, mostly from Vietnam. The NFA is also expected to buy at least 245,000 tonnes of rice based on offers made at a tender of September 7.

Thailand's rice exports from Jan 1 to Aug 29 rose 10.9%

According to Commerce Ministry's Department of Foreign Trade report on Wednesday, Thailand's rice exports from January 1 to August 29 rose 10.9% on year to 5.28 million metric tonnes. Rice exports for August 1-29 totaled 581,143 tonnes, up 18.7% on year. Thailand is the world's largest rice exporter.

Iraq To Buy 30,000 Tonnes Rice

Iraq has further floated a tender to buy 30,000 tonnes of rice, the Grain Board of Iraq reported. Concerned companies are to submit their offers by September 15. The board usually buys much more than the amount announced in its tenders. In a similar tender announced in July this year, the board bought some 200,000 metric tonnes from Thailand at \$420/tinne on a cost and freight basis. Trade Ministry statistics said the country will buy some 1 million tonnes of rice a year.

Drought Affected Around 95,000 Hectares Rice Field in Indonesia

As per the latest report released by Ministry of Agriculture, Indonesia, the five-month long drought affected almost 94,870 hectares of rice fields in Indonesia. Since last five months, Indonesian rice fields have not received or received little rainfall, which caused crop damage. Out of the total affected 98,870 hectares, 7,760 of rice fields were declared totally damaged and failure of harvest. In the

current year, Indonesia may look into the neighbouring countries to meet the domestic demand.

Rice: USDA Weekly Export Sales Highlights

Net sales of 64,200 MT were 39 percent below the previous week and 19 percent under the prior 4-week average. The major buyers were Mexico (23,000 MT), Nicaragua (13,400 MT), Jamaica (10,500 MT), and Ghana (6,900 MT). Exports 59,100 MT were 1 percent above the previous week and 14 percent over the prior 4-week average. The primary destinations were Mexico (25,900 MT), Nicaragua (18,300 MT), Canada (4,400 MT), and Saudi Arabia (3,500 MT). (This summary is based on reports from exporters for the period August 31-Sept.6, 2007).

Source: FAS, USDA.

DOMESTIC MARKET COMMENTARY

During week starting September 10, both basmati and non-basmati varieties firmed up on growing export and domestic demand against slightly tight supply. Demand from Saudi and EU countries boosted the basmati sentiment and traded up Rs.4600-4800/qlt and export price quoted at \$1200 per MT FOB from last week's \$1150. However, in Saudi Arabia, Indian basmati (Dehradun) variety almost hiked by 60 per cent due to growing demand, appreciation of rupee against the Saudi riyal and hoarding by the suppliers. Pusa basmati export firmed up at \$1100 per MT FOB and sarbati export price quoted up \$750 per MT FOB. In the meanwhile, Rs.3000-crore basmati rice export industry of India is keenly waiting basmati definition to include other non-notified varieties such as pusa 1121 and CSR 30, which constitute 70 per cent of the total estimated basmati production in 2007-08.

Export demand for non-basmati varieties from Bangladesh and Gulf countries imparted bullishness in the domestic market sentiment despite the pressure of new crops. In Delhi, Karnal, Rudrapur and Amritsar mandis, sarbati raw and sarbati sella traded up Rs.2400-2700 and Rs.2400-2600/qlt from last week's Rs.2200-2400 and Rs.2150-2400/qlt respectively. Broken parmal exported at \$305-308 per MT FOB from last weeks \$305 while Parboil export price quoted down from \$315 per MT FOB to \$310. IR-64 export price quoted steady. In West Bengal, rice varieties also firmed up in the range of Rs.50-200/qlt on strong demand from Bangladesh and Bihar against steady supply. By September 8, khari rice acreage stood higher at 346.91 lakh hectares compared to last year's 345.32 and output pegged at 100 million tonnes compared to last 10 year's 88-90 million tonnes. Due to growing overseas demand, both basmati and non-basmati rice varieties may trade steady to firm despite pressure of new crop arrivals.

DELHI MARKET:

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

Delhi	08.09.07	14.09.07
Basmati Common	4500-4600	4800
Sharbati raw	2400	2500
Sharbati sella	2250	2500-2600
Parmal raw	1300	1300

Parmal sella	1150	1300
DB Rice	3800	4000

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	08.09.07	14.09.07
Parmal paddy	750	800
Parmal raw rice	1200	1250
Basmati paddy	-	-
Basmati rice	-	-
Sharbati sella	2400	2450-2500
DB sella	3400	3500

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	08.09.07	14.09.07
Basmati rice raw	4600	4800
Sharbati esteem	2700	2700
Sharbati sella	2700	2700
Parmal raw rice	1250	1275
Parmal sella	1300	1300
DB Rice Sella	3500-3600	3700
IR8	1200	1100

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL (Burdwan)	08.09.07	14.09.07
IR 36 (super)	1600	1700
Minikit Shankar	1950	1800-1900
Doodh Kalma	2000	1900
Swarna (New)	1300	1300-1400
Pankaj	1400	1300-1400
Swarna parboiled	1700	1700-1800
Govindobhog	2500	2500-2600
Chawl Moni	2000	2000-2200

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	08.09.07	14.09.07
Sharbati sella rice	2150-2200	2600
Sharbati raw rice	2200-2250	2400

Sharbati esteem	2200	2350
Basmati rice raw	4600	4700
Basmati Paddy	2500-2550	2600
Parmal Govt. Quality	1000	1080-1100
Parmal Wand (New)	1100	1150

CONCLUSION

In coming days, due to growing overseas demand, both basmati and non-basmati rice varieties may trade steady to firm despite pressure of new crop arrivals.

PORT WATCH (As on 17th September, 2007)

From the Kandla Port, MERCS MAHARA by SAI SHG group is handling the export of 11298 tonnes of rice and sailed on 14.09.2007.

Monsoon Outlook (17.09.07)

Last week's upper air cyclonic circulation over Gangetic West Bengal and neighbourhood extending upto mid-tropospheric level lay over Jharkhand and adjoining West Bengal & Bihar on 6th. It lay over Bihar and adjoining East Uttar Pradesh on 7th and became less marked on 8th. An off-shore trough extended from Maharashtra coast to Kerala coast during first half of the week. A trough in westerlies extending upto mid-tropospheric level ran from north Pakistan to north Arabian Sea during the week. An upper air cyclonic circulation extending upto 4.5 km a.s.l. lay over extreme south peninsula on 10th. It persisted over the same area extending upto 3.1 km a.s.l. on 11th and became less marked on 12th. A north-south trough extended from Sub-Himalayan West Bengal & Sikkim to north Bay of Bengal across Gangetic West Bengal in lower tropospheric levels on 11th & 12th. The axis of the monsoon trough lay near its normal position during 6-8th and ran close to foothills of Himalayas during 9th-12th.

Rainfall:

Under influence of the above systems:

Fairly widespread to widespread rainfall occurred over North-East India during the week. Fairly widespread to widespread rainfall occurred during 6-11th and Scattered rainfall on 12th over West Bengal & Sikkim, Orissa and Jharkhand. Isolated to scattered rainfall occurred over rest of East India outside East Uttar Pradesh where mainly dry weather prevailed on 11th & 12th. Fairly widespread rainfall occurred over Chhattisgarh & Vidarbha and isolated to

scattered rainfall occurred over Madhya Pradesh during the week. Fairly widespread rainfall occurred on 6th & 7th and isolated to scattered rainfall on remaining days of the week over Konkan & Goa, and East Rajasthan.

Isolated to scattered rainfall occurred over remaining parts of the West India during the week. Fairly widespread rainfall occurred during 6-9th and isolated to scattered rainfall on remaining days of the week over Coastal Karnataka, Kerala and Lakshadweep. Isolated to scattered rainfall occurred over Interior Karnataka, Tamil Nadu & Puducherry and Andaman & Nicobar Islands during the week. Fairly widespread rainfall occurred on 9th & 10th and mainly dry weather prevailed on remaining days of the week over Rayalaseema. Fairly widespread rainfall occurred on 10th and isolated rainfall on remaining days of the week over Telangana. Isolated rainfall occurred over Coastal Andhra Pradesh during the week.

Scattered rainfall occurred on 6th, 10th & 11th and isolated rainfall on many days of the week over Punjab, Haryana and Himachal Pradesh. Isolated rainfall occurred during 9-11th and mainly dry weather prevailed on remaining days of the week over the rest regions of North West India.

Outlook For The Week Ending On 19th September 2007

- ✓ Scattered to fairly widespread rainfall is likely over northeast, adjoining east India and extreme south peninsula.
- ✓ Numerical Weather Prediction models suggest that subdued rainfall activity is likely to continue over northwest, central and adjoining west India.

Source: GOI (IMD).

FOREX (As on 17th September, 2007):

Foreign Currency	Rs. per unit
1 US \$	40.47
1 Euro	56.17
100 Yen	35.09
1 British £	82.07

SUMMARY PROGRESS OF KHARIF RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 14.09.07)		
	This Year	Last Year	Difference
381.89	355.73	355.16	+0.57

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 07.09.07

(Lakh Tonnes)

State	Total procurement in marketing season 2005-06 (Oct.- Sept.)	Progressive Procurement as on 07.09.07	
		In Marketing season 2006-07	In Marketing season 2005-06
Andhra Pradesh	49.72	53.16	48.29
Chattisgarh	32.65	28.34	32.32
Haryana	20.54	17.73	20.45
Kerala	0.94	1.51	0.94
Maharashtra	1.94	0.96	1.91
Orissa	17.85	19.90	17.26
Punjab	88.55	78.27	88.52
Tamil Nadu	9.26	10.77	8.98
Uttar Pradesh	31.51	25.49	31.20
Uttaranchal	3.36	1.76	3.36
West Bengal	12.75	6.41	12.66
All-India	276.56	250.31	273.18

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current, 14.09.07)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$332	5% DP	\$320
5%	\$324	5%	-
10%	\$319	10%	\$315
15%	\$314	15%	\$310
25%	\$300	25%	\$300
35%	-		-
Parboiled	\$332		-
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	15%	-
25%	\$305	25%	\$300
Parboiled	-	Parboiled	\$310

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