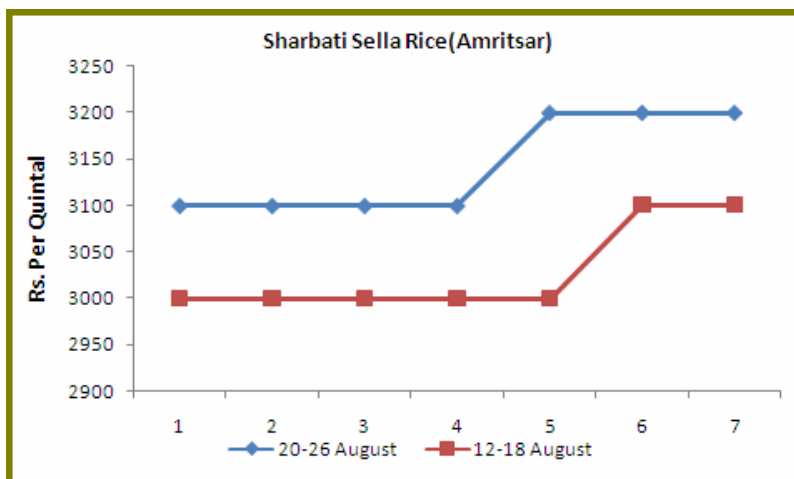


Domestic Market Highlights and Week ahead :

Rice prices depicted mixed trend in the spot market in the week ended 26 August 2011. Price of Sharbati Sella rice in Amritsar market (Punjab) surged higher by 3.23% as compared to 3.33% a week prior. On the other hand rice prices in various markets in Andhra Pradesh for various varieties, drifted lower by about 100-150 per quintal.

In a new development on the export front, India's Supreme Court has ordered a lower court to bring forward a hearing on a dispute over rules concerning the export of 1.0

million tons of rice. The Supreme Court has asked Delhi High Court to take up the matter on Aug. 29, about a week earlier than the originally scheduled Sept. 7.



Further, India may allow more rice exports, after permitting shipments of 1.0 million tons of common-grade rice last month, which may lead to total exports reaching 4.3 million tons but the same is likely to offset less from the supplies that are likely to remain overflowing, despite the same as contributed by likely rise in the production in 2011-12 as well (targeted at 102 million tons).

On the sowing front, India's summer-season rice plantings until Aug. 26 rose 11.5% from a year earlier, helped by good rains in major rice-growing regions as put by the farm minister raising hopes of a higher output of the staple grain in the second straight year. Farmers in India have planted rice in 34.87 million hectares until Aug. 26, compared with 31.27 million hectares a year earlier.

Ample Rains in Key Northern Rice Growing regions, instigate the acreage. In the state of UP, where the acreage has exceeded the target, paddy sowing remains almost complete.

All-India progressive procurement of Rice for the marketing season 2010 -11 as on 19.08.2011 was 329.73 lakh tonnes which is higher than the procurement of 305.11 lakh tonnes upto the corresponding period of last year.

Paddy Crop Progress and Weather:

As per the Weather Office, during the week ended 24th August, peninsular India received excess rainfall. However rainfall was deficient over many parts of east, northeast and central India whereas all India rainfall was 8% below long period average (LPA). The cumulative seasonal rainfall for the country as a whole from 1-24 August has been 8% above the LPA with 17 % and 16% above normal rainfall over northwest India and south peninsular India

Following table reflects the state wise % departure of mon soon rains as on Week on Week

State	% Departure as on 17 th August	% Departure as on 24 th August
Andhra Pradesh	-21%	117%
Assam	21%	-25%
Bihar	29%	1%
Karnataka	-55%	44%
Kerala	-25%	-20%
Orissa	-9%	-33%
Tamil Nadu	123%	81%
Uttar Pradesh	-12%	52%
West Bengal	68%	86%

(Source: India Meteorological Department)

The table below shows the state-wise area coverage as on date 2011

	(Paddy Area in thousand/ Lakh hectares)	
State	Area Sown in 2011	Area sown in 2010
Andhra Pradesh as on 24th August	17.50	18.86
Karnataka as on 24th August	7.77	-
Bihar as on 12th August	25.85	15.80
Uttar Pradesh as on 21st August	59.49	56

(Source: State Agricultural Dept.)

Rains witness improvement in Andhra Pradesh, Karnataka, and West Bengal and UP in the week ended 24th August as compared to a week prior. While despite the same, paddy area sown until 24

August face a marginal reduction as lag in rains in the prior few weeks cause the same. However, continuous ample rains over areas like UP and Bihar have given a noticeable boost to the paddy area in the regions when compared to the last year. As, per collected information from the state agricultural department, Paddy area has exceeded the target and one of the contributory factor remains shift from crops like Urad and Groundnut to paddy on existent, supportive weather conditions for the later

Progressive Procurement of Rice as on 05th August
(Values in lakh tonnes)

State	Total Procurement in Marketing Season 2009-10 (Oct. - Sept.)	Progressive Procurement		% change Y-O- Y
		as on 19.08.2011		
		In Marketing	In Marketing	
		season 2010-11	season 2009- 10	
Andhra Pradesh	75.55	91.45	66.78	36.94
Chhattisgarh	33.57	36.62	31.5	16.25
Haryana	18.19	16.87	18.16	-7.10
Kerala	2.61	2.63	2.61	0.77
Maharashtra	2.29	2.8	2.12	32.08
Orissa	24.96	24.59	24.72	-0.53
Punjab	92.75	86.35	92.75	-6.90
Tamil Nadu	12.41	14.58	11.67	24.94
Uttar Pradesh	29.01	24.27	27.11	-10.48
Uttaranchal	3.75	4.17	3.74	11.50
West Bengal	12.4	10.69	12	-10.92
All India	320.34	329.73	305.11	8.07

Domestic Prices & Outlook

Spot Market Prices for Rice:

(Price in Rs. /qtl)

	Andhra Pradesh		
Market	Variety	26.08.2011	19.08.2011
Addanki	B P T	2450	2570
Allagadda	Boiled Rice	2500	2500
Divi	B P T	1700	1800
Kandukur	B P T	2250	2400
Kondapi	B P T	2200	2300

	West Bengal		
Market	Variety	26.08.2011	19.08.2011
Blurghat	Masuri	2675	2675
Bishnupur	Masuri	-	1800
Burdwan	Other	-	-
Kalipur	Sona masuri non basmati	-	1700
Samsi	H.Y.V	1750	1750

Amritsar (Punjab) Market:

Variety	26.08.2011	19.08.2011
Sharbati Sella rice	3100-3200	2900-3100
Sharbati raw rice	2900-3100	3000-3100
Sharbati steam	3100-3300	3100-3200
Basmati rice raw	4400-4500	4400-4500
Basmati Paddy	2000-2200	2000-2200
ParmalGovt. Quality	1800	1800
Parmal Wand (New)	2000-2100	2000-2100
1121 Steam	4800-5000	4500-4800

Paddy Price in various markets during the Week (Prices in Rs. /quintal)

Market	Variety	25/08/2011	18/08/2011
Addanki (AP)	BPT	1320	1320
kakinada(AP)	MTU-1010	1040	1040
Badvel (AP)	Masuri	1250	1250
Gangavathi(Karnataka)	IR 64	1053	1000
Shimoga(Karnataka)	Paddy Coarse	-	-
Hassan(Karnataka)	Paddy	-	-

Kolathur (Tamil Nadu)	Ponni	1150	1150
Madurai (Tamil Nadu)	ADT 36	900	950
Chinnamanur(Tamil Nadu)	IR 64	-	-

Outlook:

- *Domestically, rice prices are likely to remain range bound with weak bias, as higher area sown on favorable weather conditions for paddy remain indicative of sustained better prospects for Production in the 2011-12 season which is further going to thicken the supplies and hence stocks. Intermediary optimism on likely exports may bring optimism amongst prices however, that is likely to be a short term phenomena, which also remains contingent as of now. New paddy crop*

International Market Highlights:

On the global front, Thai rice prices continued to rise because of hoarding related to a huge increase in the intervention price promised by the new government, while prices in Vietnam were supported by another big Indonesian order. Farmers and other operators indulge in rice hoarding, expecting to be able to sell at a big profit when the state intervention price goes up from the new crop in November. Domestic milled rice was at 16,500 baht (\$552) per tonne, up 10 percent from last week's 15,000 baht. Thai government will buy unmilled rice from farmers at 15,000 baht per ton, roughly double the market price of around 8,000 baht.

In another development, Thailand, has signed a contract to sell 300,000 tons of 15 percent broken grade white rice to Indonesia's state procurement body, Bulog, in a government deal. Continuous exports amidst restricted supply is likely to continue be the supportive price drivers, however relatively, India may derive a competitive advantage from the same if export rules gets a clearance from the court soon, due to price advantage.

Vietnam's rice exports between January and August rose 6.5 percent from the same period last year to an estimated 5.31 million tones. Vietnam, could ship between 7.5 million and 8 million tons of the grain this year following an expected rise in its annual paddy output. Paddy output in the Country is expected to rise 41.6 million tones.

U.S. total rice supplies for 2011/12 are projected at 257.2 million cwt, up 0.6 million from last month. Increases in both forecast beginning stocks and production more than offset a reduction in imports. USDA's first survey-based forecast of the 2011/12 U.S. rice crop is 188.1 million cwt, up 1.1 million from last month's projection, but down 23 percent from the record 2010/11 crop. Average yield is forecast at 7,114 pounds per acre, up 55 pounds per acre from last month's projection, and up 6 percent from last year. Area harvested, at 2.64 million acres, is reduced slightly from a month ago. Long-grain production is forecast at 124.2 million cwt, up 0.7 million from last month, while combined medium- and short-grain production is forecast at 63.9 million, up 0.4 million from a month ago. The all rice import.

CBOT Market Rice Scenario (Front Month Contract):



- CBOT Rice price continue to be inside the trading range however profit taking at peak may intervene.
- 17.50-15.50 is the immediate trading band for the price; drift in either direction will take it further in the respective same. While 15.50 on the lower side stand as a significant support juncture, on the lower side.
- While break below 15.50 will strengthen hopes for bears, until it stay unbreached, bulls will continue to remain in charge.

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