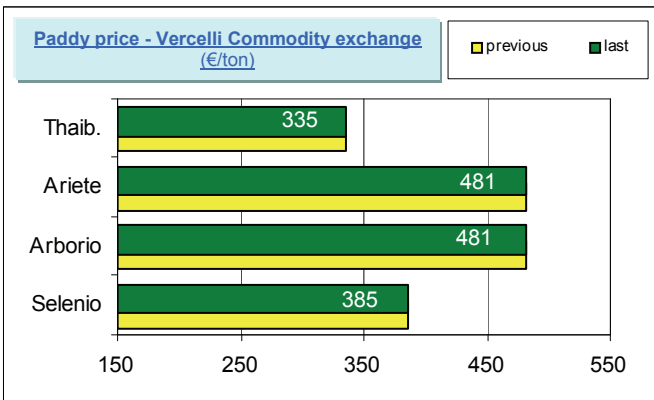
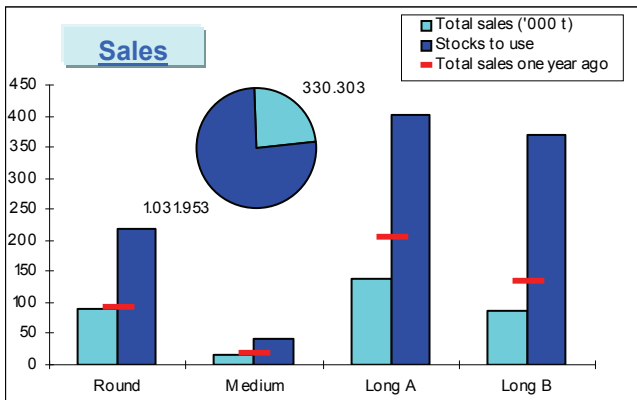




Italian Market



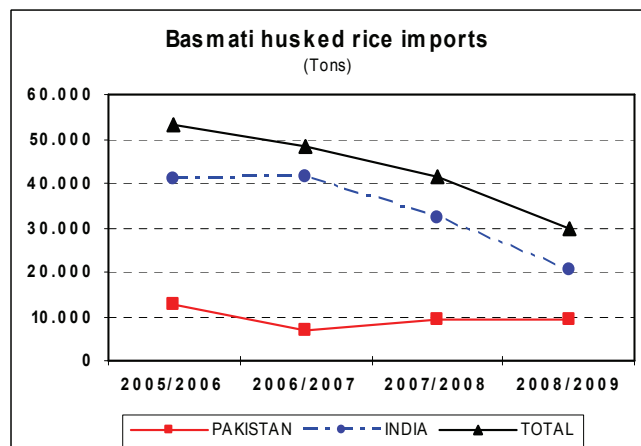
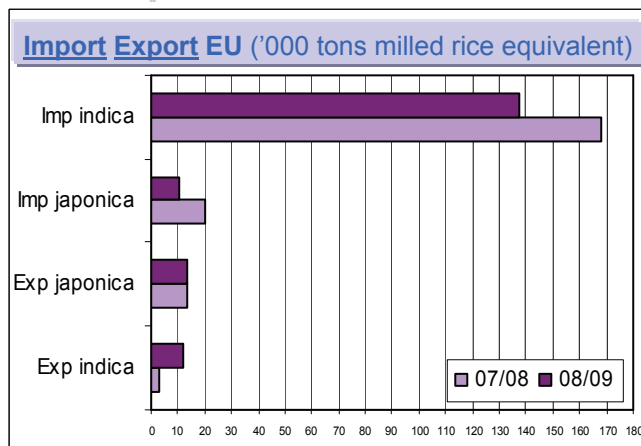
In focus

Paddy sales by farmers have slightly raised in the last days, reaching 26,415 tons this week: 11,496 tons of long A grain, 8,625 tons of round grain, 5,380 tons of long B grain and 914 tons of medium grain. However the gap has increased week after week between total sales this year compared to the higher items one year ago. At the moment the difference is -120,499 tons of which -66,600 tons are long A grain and -47,300 tons are long B grain.

Total sales reached 330,303 tons, 24% of the total stock that is 1,362,256 tons.

Paddy prices at Commodity Exchange in Vercelli have not changed over the last week, the market remains very quiet with very limited demand.

European Market



In focus

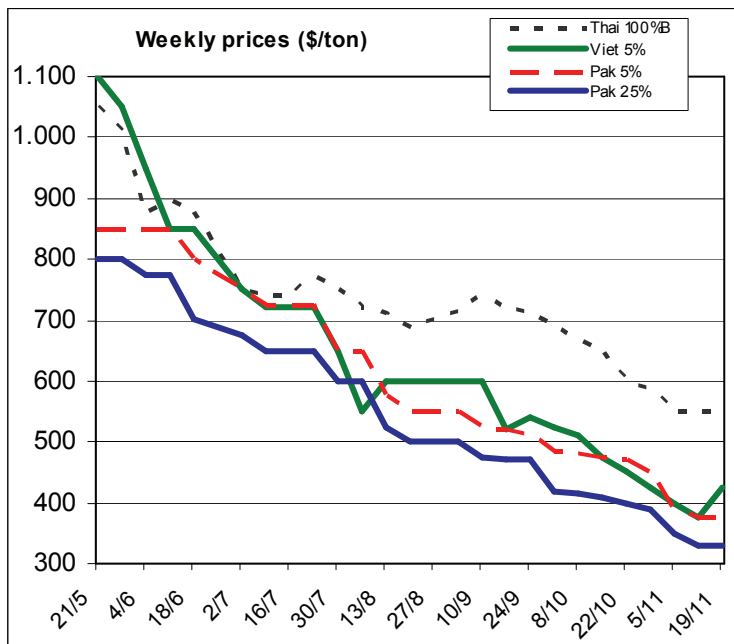
EU imports amount to 147,983 tons in milled rice equivalent, more than 20% below the previous year level (-30,588 tons of indica rice and -9,043 tons of japonica rice).

Husked Basmati rice imports are on a decreasing trend compared to last year (-28.8%), especially from India; imports decreased of 12,015 tons (8,300 tons in milled rice equivalent).

EU exports increased of about 57.7 % compared to one year ago: from 16,093 tons in 2007 to 25,380 tons this year. Last week licences were issued for 2,100 tons compared to 1,016 tons the previous week.

International Markets

Milled rice international FOB quotes		
Rate exchange 1 € \$1,2653		
Asian Markets	\$/t	€/t
Thai 100%B	550	435
Vietnam 5%	425	336
India (MEP)	1000	790
India Basmati trad.	2.400	1897
Pakistan 5%	375	296
Others Markets	\$/t	€/t
Uruguay 5%	640	506
Argentina 5%	630	498
USA LG 2/4%	661	522
California M G 1/4%	1.125	889
Egypt 101	N.Q.	N.Q.



- Thailand** The big news in the market is the governments award of 2.1 MMT out of intervention stocks at the tender held last week. The price was around \$460 per mt FOB basis 5% and President Agri was far and away the largest awardee. Current quoted prices have not really changed over the last week as 100% B is \$550-560 per mt FOB Bangkok; 5% is \$525, and parboil is \$540.
- Vietnam** The lead story is the sale of 60,000 mt of Viet 5% to Iraq at \$420 per mt FOB. This came as no surprise to the industry as a whole, as Viet prices are \$100-125 per mt below Thai, with US prices some \$120-150 above Thai. The market is fairly quiet as the industry continues to wrestle with large local stocks amid a very soft market with limited demand.
- India** Not much new here as the government has made it clear that for now they have no intention to lift the export ban on non basmati rice. In the meantime, government intervention stocks out of the new crop now exceed 10 MMT, some 20% more than the same period last year. All in all, they plan to procure a total of about 27-28 MMT for buffer stocks.
- Pakistan** This past week, PASSCO announced they have decided to procure milled rice not paddy under their 1 MMT intervention program. It seems as though they really don't have the infrastructure to handle paddy and probably, although not mentioned verbally, they would be in better position to resell that rice via G to G transactions than they would if it were paddy.
- Usa Gulf** Offshore demand remains very quiet as local milled prices continue to suffer as a result of the lack of same. The market is quite depressed as new business is very difficult to come by, thereby mills are beginning to experience down time.

Food Safety

Rapid Alert System (Source: EFSA)

No alert concerning rice in the last two weeks.

Rules and Calls for bids

Commission Regulation (O.J.E.U. L 298)

The European Commission has published the Regulation (EC) No 1097/2008 of 6 November 2008 providing for exceptional measures regarding import licences in the rice sector due to problems in the international market in 2008.

Other news

Thailand's rice, chicken exports to decline in 2009 (Source: enews.mcot.net)

Thailand's exports of rice and chicken are expected to be gloomy in 2009 due to the ongoing global economic slowdown and uncompetitive prices of Thai rice, industrial experts said Tuesday.

Chookiat Ophaswongse, president of Thai Rice Exporters Association, said rice export trends for next year are not promising because Thailand's domestic rice prices had risen sharply in 2008 while a number of countries had encouraged more rice farming for their own consumption, while rice exporting countries also are growing more rice.

Taking these factors into consideration, the global rice trade in 2009 is projected to decline to around 28-28.5 million tonnes from this year's 30 million tonnes and it will cause hardships for Thailand's rice exporters, Mr. Chookiat said.

Local rice exporters have blamed the government's rice pledging programme for distorting the rice market, leaving huge stockpiles in state hands which has in turn led to a huge decline in orders from international buyers in recent months.

Thailand's rice exports in 2009 are expected to retreat to about 8.5 million tonnes from this year's 10 million tonnes while export revenues are also projected to fall. Exports of parboiled rice are expected to remain good but not 'fragrant' rice due to its high price.

The "health check" of CAP reform (Source: Council of the European Union)

The Council reached political agreement on the proposal, which pursues three essential objectives: to improve the single payment scheme, to modernise agricultural market management tools, and to respond to the new challenges of climate change, bioenergy production, water management and the preservation of biodiversity.

This item will appear as an "A" item on the agenda of a forthcoming Council meeting, following finalisation by legal/linguistic experts.