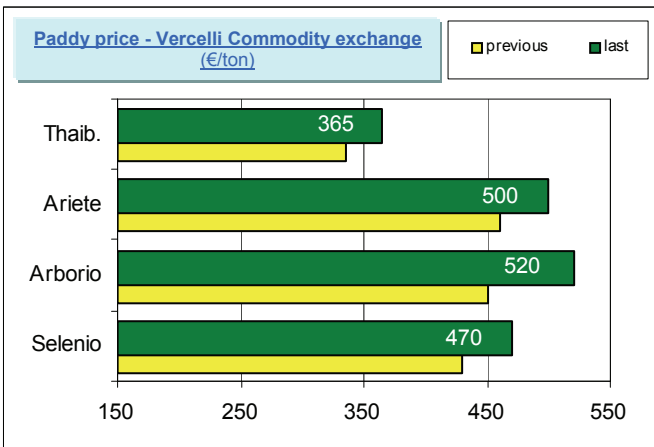
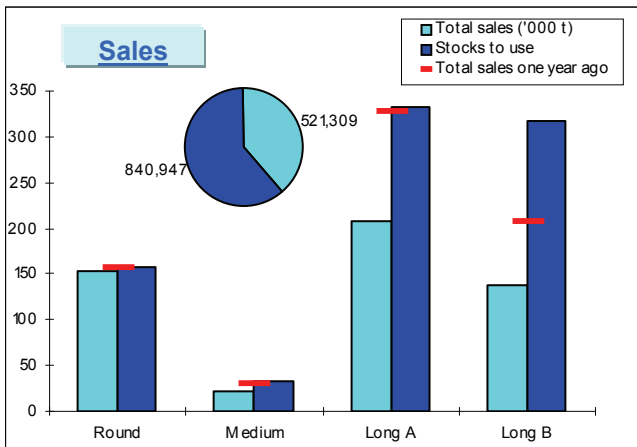




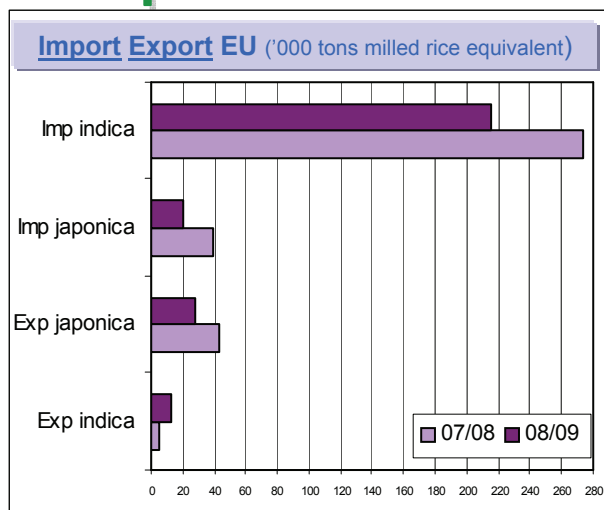
Italian Market



In focus

Paddy sales by farmers have reached 32,551 tons this week: 13,599 tons of long A grain, 9,627 tons of round grain, 7,618 tons of long B grain and 1,707 tons of medium grain.
The gap between total sales this year compared to the higher items one year ago, is now 200,279 tons. At the moment the difference is -119,211 tons for long A grain, - 70,396 tons for long B grain, - 7,079 tons for medium grain and - 3,593 tons for round grain.
Total sales reached 521,309 tons, 38.3% of the total stock. One year ago total sales were 721,600 tons corresponding to 46.6% of the total final stock (48.3% of the estimated stock).
All paddy prices at Commodity Exchange in Vercelli have changed over the last month; Selenio, Ariete, Arborio and Thaibonnet prices have increased, respectively +40 €/ton, +40 €/ton, +70 €/ton and +30 €/ton.

European Market



Quantities to be allocated for the January 2009 subperiod (tons)				
Origin	Quantities available for the January 2009 subperiod	Quantities to be allocated for the January 2009 subperiod	Quantities available for the May 2009 subperiod	Total quantities available for the May 2009 subperiod
OCTs (net. Antilles and Aruba)	8,333.000	1,500.000	8,334.000	15,167.000
OCTs least developed	3,333.000	-	3,334.000	6,667.000
CARIFORUM	83,333.000	54,230.253	83,334.000	112,436.747

In focus

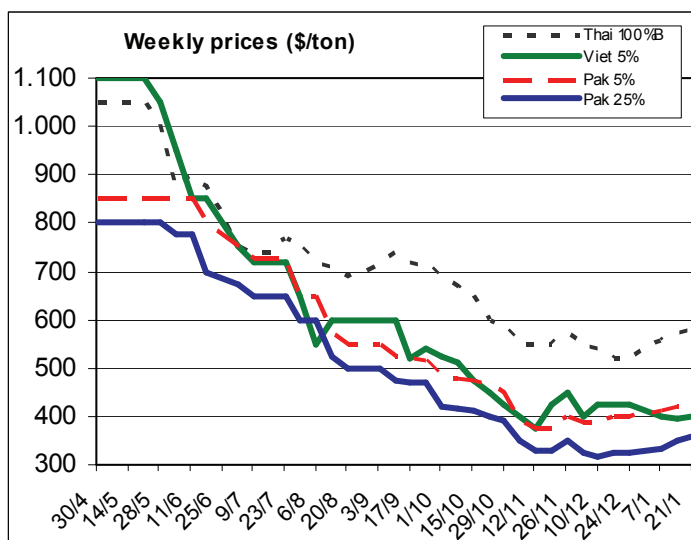
EU imports amount to 235,521 tons in milled rice equivalent, 24.8% below the previous year level (-58,444 tons of indica rice and -19,285 tons of japonica rice).
Husked Basmati rice imports are on a decreasing trend compared to last year (-41.3%); imports decreased of 39,524 tons (27,300 tons in milled rice equivalent).
EU exports decreased of about 13.5 % compared to one year ago: from 47,291 tons in 2007 to 40,914 tons this year.
Last week licences were issued for 1,757 tons compared to 326 tons the previous week.

International Markets

Milled rice international FOB quotes

Exchange rate 1 € = \$1,2930

Asian Markets	\$/t	€/t
Thai 100% B	580	449
Vietnam 5%	400	309
India (MEP)	1.000	773
India Basmati trad.	1.900	1.469
Pakistan 5%	430	333
Others Markets	\$/t	€/t
Uruguay 5%	520	402
Argentina 5%	510	394
USA LG 2/4%	584	452
California MG 1/4%	1.150	889
Egypt 101	N.Q.	N.Q.



- Thailand** The quote of 100% B is \$60 higher than one month ago, supported by the government intervention purchase price. However, given the large discrepancy in pricing versus the other Asian origins, there is no real buying interest offshore. Instead there has been a considerable amount of fresh business since the first of the year for parboil, fragrant and broken.
- Vietnam** It does appear as though Vinafood and NFA (National Food Authority of Philippines) have concluded a business. What was originally thought to be a 500,000 mt inquiry may have turned into a 1 MMT sale, although no official release has been made. In addition to this business, another 50-60,000 mt 5% was sold to Iraq last week.
- India** The export ban on non-basmati rice remains in tact. However, the government recently approved an exception for the sale of 55,000 mt to four West African nations. The Indian exporters have been clamouring with the government to abolish the \$200 export tax on basmati to help deal with the demise in pricing that has been felt here like in Pakistan due to defaults. And the government has yielded, announcing this week that the tax on Basmati has been removed. The government also announced that the MEP on regular basmati rice has been reduced to \$1100.
- Pakistan** There continues to be confusion and mixed signals in the market surrounding the intervention purchase program being conducted by Government. The REAP has raised complaints as it has caused Pakistani prices to be much higher than their Vietnamese counterparts, as offshore buyers turn away. Further, there have been the issues associated with quality and damage to the crop from flooding which exacerbate an already difficult marketing environment.
- Usa** The quote of Long grain is \$44 lower than one month ago, however, the offshore demand continues to be extremely thin. Unchanged the price of Californian medium grain milled rice.

Food Safety

Rapid Alert System (Source: EFSA)

On 12th January a notification was sent on by Finland concerning unauthorised genetically modified (Bt 63 rice) rice vermicelli from China (Hong Kong).

On 16th January a notification was sent on by Greece concerning aflatoxins in rice from Pakistan.

Rules and Calls for bids

Commission Regulation (O.J.E.U. L 344/08 and L 13/09)

The European Commission has published the Regulation (EC) No 1312/2008 fixing the conversion rates, the processing costs and value of the by-products for the various stages of rice processing (Codified version) and the Regulation (EC) No 31/2009 on the issue of licences for importing rice under the tariff quotas opened for the January 2009 subperiod by Regulation (EC) n. 1529/07 (Cariforum/ OCTs).

Other news

Review of import duties for husked rice (Source: Ente Risi)

The Agreement between the European Community and the United States of America, signed in 2005 and relating to the method of calculation of applied duties for husked rice, enabled both parties to enter into consultations in 2008 on the annual increase of the import level for subsequent marketing years. Negotiations which began last summer are not like to give satisfactory results, so the Commission asked the qualified Committee to be authorised to open new negotiations in view of signing a new agreement concerning duties. Since the Committee denied that authorization, the Special Committee on Agriculture will deal with the matter in the next weeks.

Tom Vilsack is the new US Secretary of Agriculture (Source: Agrapress)

Tom Vilsack, 58, former governor of Iowa, is the new US Secretary of Agriculture. He has repeatedly demonstrated a preference for large industrial farms and genetically modified crops, causing disappointment in GMO opponents. Vilsack is now busy implementing the FarmBill, one of his aims is to promote and rearrange research in the agriculture sector.

New, efficient rice in the works (Source: Los Angeles Times)

An international team of scientists is attempting to develop a new rice strain that will use less water and fertilizer but could boost yields by up to 50% to meet growing demand. The ambitious laboratory project, announced Wednesday by the Philippines-based International Rice Research Institute, could take a decade or more to complete. The project aims to improve the efficiency of a rice plant's photosynthesis.