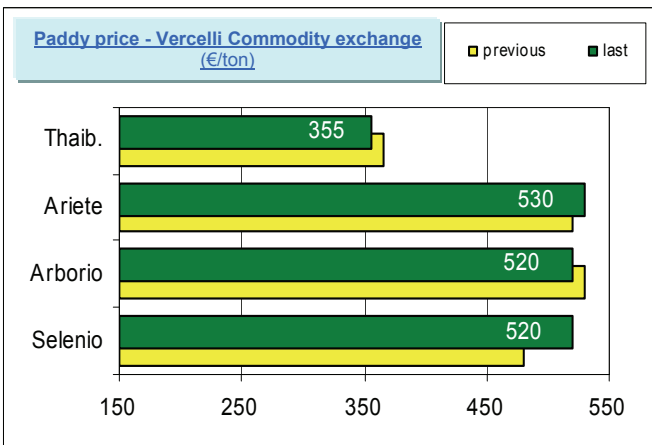
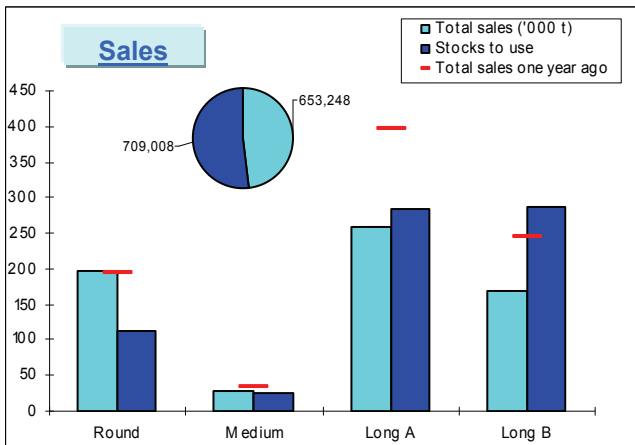




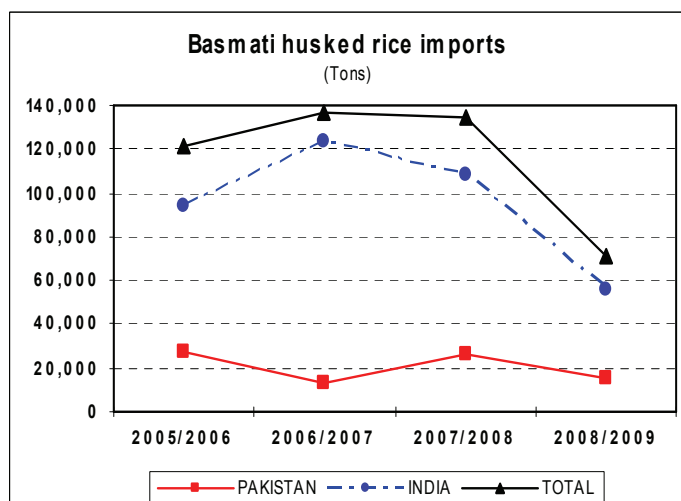
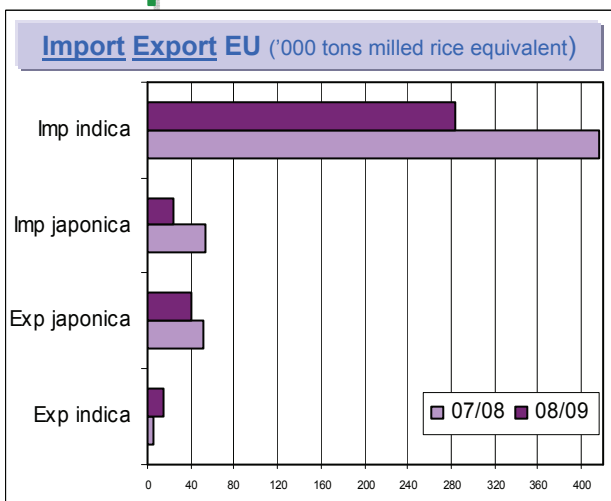
## Italian Market



### In focus

Paddy sales by farmers have reached 33,925 tons this week: 12,446 tons of round grain, 11,293 tons of long A grain, 8,494 tons of long B grain and 1,692 tons of medium grain.  
 The gap between total sales this year compared to the higher items one year ago, is now 215,478 tons. At the moment the difference is -137,776 tons for long A grain, -77,765 tons for long B grain, -4,425 tons for medium grain and +4,488 tons for round grain.  
 Total sales reached 653,248 tons, 48% of the total stock. One year ago total sales were 868,726 tons corresponding to 56% of the total final stock (58% of the estimated stock).  
 Over the last two weeks, paddy prices at Commodity Exchange in Vercelli have increased for Selenio (+40 €/ton) and Ariete (+10 €/ton), but they have decreased for Arborio (-10 €/ton) and Thaibonnet (-10 €/ton).

## European Market



### In focus

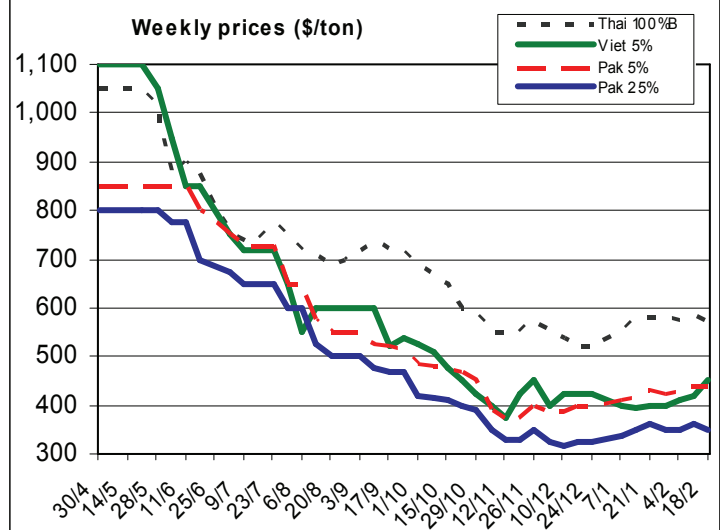
EU imports amount to 306,943 tons in milled rice equivalent, 34.6% below the previous year level (-132,232 tons of indica rice and -30,467 tons of japonica rice). The European Commission has not yet registered the Gatt quotas allocated for the January 2009 subperiod (38,180 tons in milled rice equivalent).  
 Husked Basmati rice imports are on a decreasing trend compared to last year (-46.7%); imports decreased of 62,736 tons (43,300 tons in milled rice equivalent).  
 EU exports decreased of about 1.2 % compared to one year ago: from 56,057 tons in 2007/2008 to 55,382 tons this year.  
 Last week licences were issued for 3,760 tons compared to 5,163 tons the previous week.

# International Markets

## Milled rice international FOB quotes

Exchange rate 1 € = \$1.2634

Asian Markets	\$/t	€/t
Thai 100%B	570	451
Vietnam 5%	450	356
India (MEP)	1,000	792
India Basmati trad.	1,800	1,425
Pakistan 5%	440	348
Others Markets	\$/t	€/t
Uruguay 5%	520	412
Argentina 5%	510	404
USA LG 2/4%	562	445
California MG 1/4%	1,150	910
Egypt 101	N.Q.	N.Q.



- Thailand** The quote of 100% B is \$5 lower than two weeks ago. Growers are selling their new crop primarily to the Government as the intervention prices are obviously much better than the export market can provide on regular white rice. Consequently, total exports trail last year's pace by almost 40%. The Commerce Ministry still insists that export forecast of 8.5-9.5 MMT will be reached by year's end.
- Vietnam** The market continues to firm on strong export demand. Export commitments for '09 now total 3 MMT. In addition, the crop is late due to rains. In the last two weeks the quote of 5% increased of \$40 and it's trending higher. Things could change rather rapidly when new crop is harvested, which is still 4 - 6 weeks off.
- India** No substantive change in the market, as the Government export ban officially remains in place. Meanwhile, intervention/buffer stocks now exceed 20 MMT.
- Pakistan** The key issues are the problems and complaints from growers, millers and exporters over how the intervention program is being conducted by PASSCO and TCP (Trade Corporation of Pakistan).
- Usa Gulf** The market continues to be very quiet, particularly as regards long grain milled rice demand offshore. The quote of LG 2/4% decreased of \$11 again. Most of the mills are operated well below capacity given the lack of export business. Total exports of long grain milled rice are down 54%.
- California** Unchanged the price of Californian medium grain milled rice. The outlook for new crop planting intentions is likely to be down 20-30% due to drought conditions.
- Egypt** The Government announced the ban will continue past the April 1<sup>st</sup> deadline, however by allowing some rice exports, but only by those parties that return a like amount to the Government at conditional prices that are in fact under the market. As well, any exports will be taxed by US\$ 185 per mt.

## Food Safety

### Rapid Alert System (Source: EFSA)

No alert concerning rice in the last two weeks.

## Rules and Calls for bids

### Council Regulation (O.J.E.U. L 25)

The European Commission has published the Regulation (EC) No 87/2009 on the issue of licences for importing rice under the tariff quotas opened for the January 2009 subperiod by Regulation (EC) No 327/98.

## Other news

### Rice growers seek to halt falling prices (Source: The Wall Street Journal)

A delegation from Thailand is asking Vietnam to help it stabilize the tumbling price of rice. A Thai participant said the two sides hoped to announce increased coordination at a summit of leaders of Association of Southeast Asian nations (ASEAN) at the end of February in Thailand. One idea on the table is the creation of a regional rice reserve that could be used to prevent food shortages and absorb excess stocks during periods of oversupply. "We have to stabilize the world price," said the President of the Thai Rice exporters Association. If the effort isn't successful, he said, "it's going to hurt the overall market"

### Early indications hint at smaller 2009 cereal crop (Source: FAO)

Early indications point to a reduction in global cereal output in 2009 from the 2008 record, according to FAO's latest crop prospects and food situation report. Smaller plantings and adverse weather look likely to bring grain production down in most of the world's major producers. FAO forecasts world cereal carryovers at 496 million tonnes, the highest level since 2002. In the United States, total use of cereal for biofuels production is forecast to increase, up 19% from the 2007/2008 level. Earlier forecasts expected an even faster growth in maize utilization for biofuels, but the steep decline in oil prices and the economic slowdown have lowered those expectations.