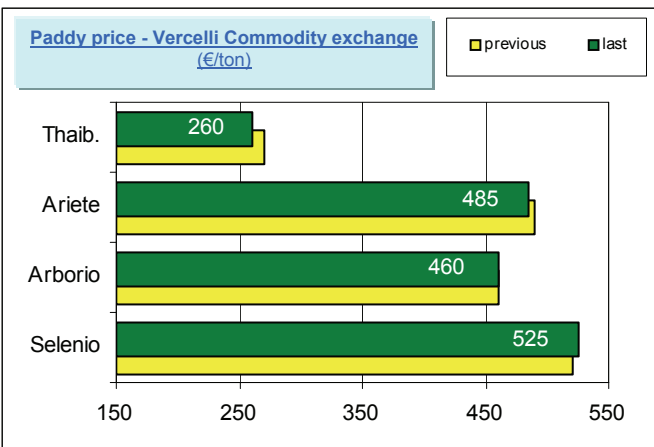
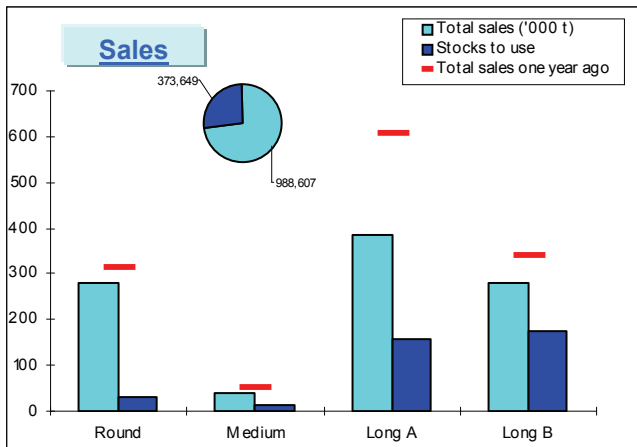




Italian Market



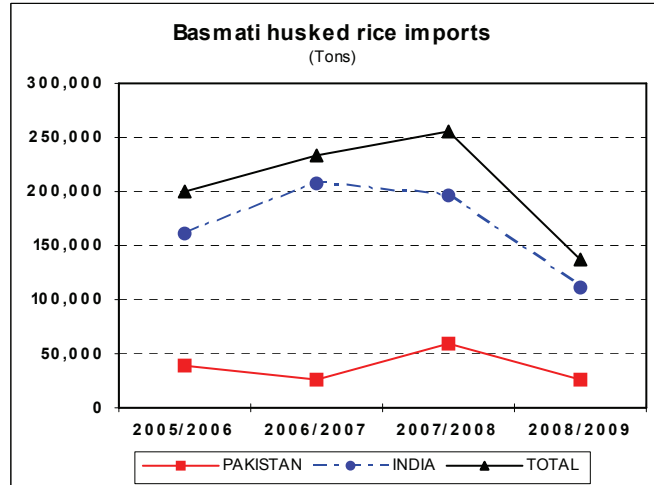
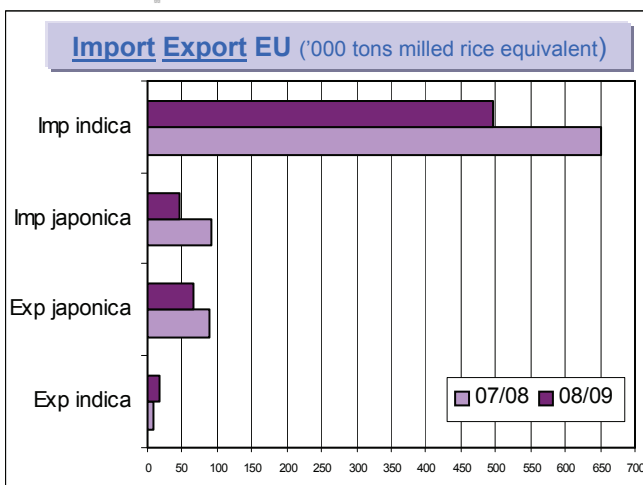
In focus

Paddy sales by farmers reached 20,616 tons this week: 9,464 tons of long B grain, 6,957 tons of long A grain, 3,530 tons of round grain and 665 tons of medium grain.

Total sales reached 988,607 tons, 72.6% of the total stock. One year ago total sales were 1,318,881 tons corresponding to 85% of the total final stock (88.3% of the estimated stock).

Paddy prices at Commodity Exchange in Vercelli decreased of €10 for Thaibonnet and of €5 for Ariete; instead paddy price increased of €5 for Selenio.

European Market



In focus

The EU imports amount to 540,613 tons in milled rice equivalent, 202,407 tons below the previous year level (-27.2%).

Husked Basmati rice imports are on a decreasing trend compared to last year (-46.1%); imports decreased of 117,585 tons (81,000 tons in milled rice equivalent).

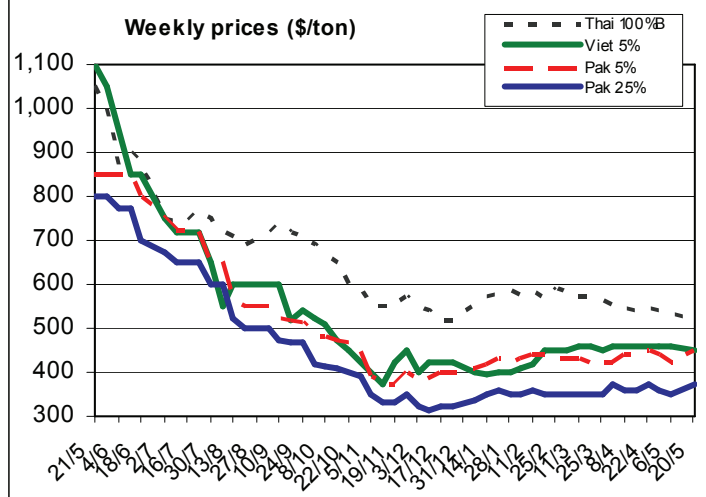
EU exports decreased of 14.2% compared to one year ago: from 97,952 tons in 2007/2008 to 84,064 tons this campaign. Last week licences were issued for 1,130 tons compared to 1,122 tons the previous week.

International Markets

Milled rice international FOB quotes

Exchange rate 1 € = \$1,3612

Asian Markets		
	\$/t	€/t
Thai 100%B	525	386
Vietnam 5%	450	331
India (MEP)	1.000	735
India Basmati trad.	1.800	1.322
Pakistan 5%	450	331
Other Markets		
	\$/t	€/t
Uruguay 5%	520	382
Argentina 5%	510	375
USA LG 2/4%	507	372
California MG 1/4%	1.225	900
Egypt 101	1.000	735



- Thailand** The quote of 100% B is \$10 lower than two weeks ago. Iraq did hold another tender last week, and although the results have not been made public, it seems as though at least one cargo of Thai rice was sold at levels slightly above \$460 per ton.
- Vietnam** The quote of 5% is \$10 lower than two weeks ago. There is a new player on the export scene as Vinafood is back in the market and appears will stay that way as the summer/autumn harvest is just around the corner and is projected to be of bumper proportions.
- India** The Government has in principal lifted the ban on exports for non Basmati rice for up to 1 million tons so far, but under strict conditions. So far, only 15,000 tons has been executed.
- Pakistan** The quotes of 5% and 25% are \$25 higher. Iranian and Pakistani officials met last week to discuss expansion of their preferential trade agreement whereby over 600 items enjoy concessions on import duties. We look for rice to play a relatively large role in this program, as there has been border trade for years.
- Usa** The quote of Long Grain is \$22 lower than two weeks ago. No change for the quote of Medium Grain. In California the market remains quite firm account the mills are busy through June on MMA business with Japan.

Food Safety

Rapid Alert System (Source: EFSA)

On 13th May a notification was sent on by Italy concerning *Enterobacter sakazakii* in creamed rice from Spain.

Rules and Calls for bids

Commission Regulation (O.J.E.U. L 118)

The European Commission has published the Regulation (EC) No 388/2009 laying down detailed rules for the application of the Council regulation No 1234/2007 as regard the import and export system for products processed from cereals and rice (Codified version).

Other news

Indian stockpiles increased too much (Source: Osiriz)

India rice stockpiles seem to have now reached 20 millions tons, twice the figure recorded one year ago. The surplus amounts to 7 millions tons, which could be sold little by little or all at once, in the last case causing a breakdown of world prices: a real sword of Damocles.

Slightly increase of global rice trade in 2008 (Source: F.A.O.)

FAO's forecast of global rice trade in 2008 now stands at 30.7 million tons, slightly higher than global rice trade in 2007. However this level is lower than expected, a reflection of the export curbs imposed by several exporting countries (Egypt, Vietnam and India) and of the record global production, which have depressed import demand. In 2009 the export of the Thai rice is expected to decrease because of high level of the prices, but the export of the Indian, Chinese, Vietnamese and Pakistani rice is expected to increase.

Malaysian Govt. marks rice growing areas in Sarawak (Source: www.oryza.com)

The Malaysian Government has earmarked eight areas for large-scale double or triple paddy cropping which would be enough to make Sarawak self-sufficient in rice production.

The state currently produces 54 % of its rice requirements while the rest is imported mainly from Thailand and Vietnam.

Rice industry complains: "Rice prices are too high" (Source: La Stampa)

Mario Preve, President of Airi (Italian Rice Industry Association), warns: "it's impossible to stand competition with pasta". Retail price of Carnaroli rice is about 4€/kg against 1.63€/kg for top brand spaghetti.