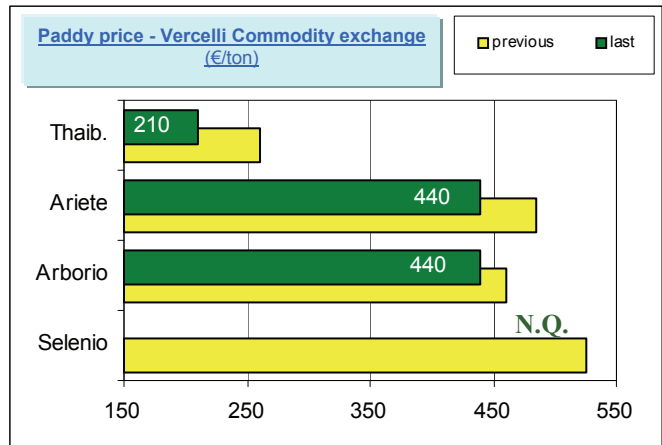
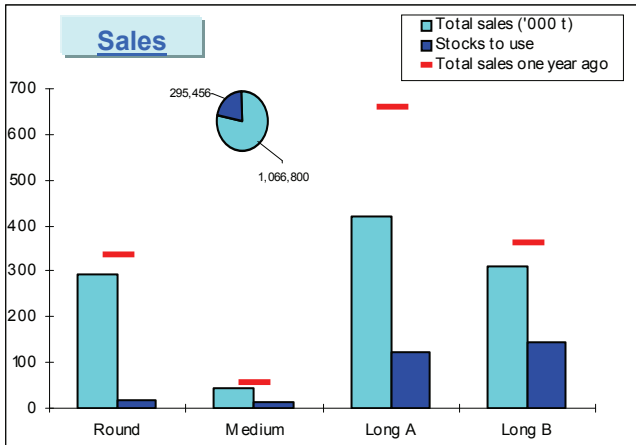




## Italian Market



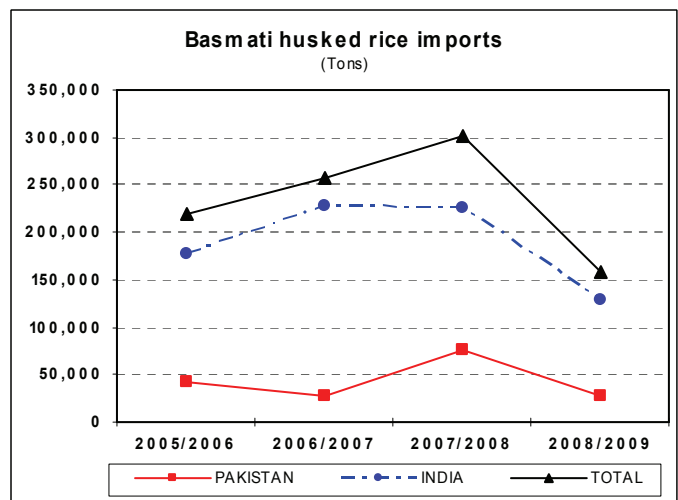
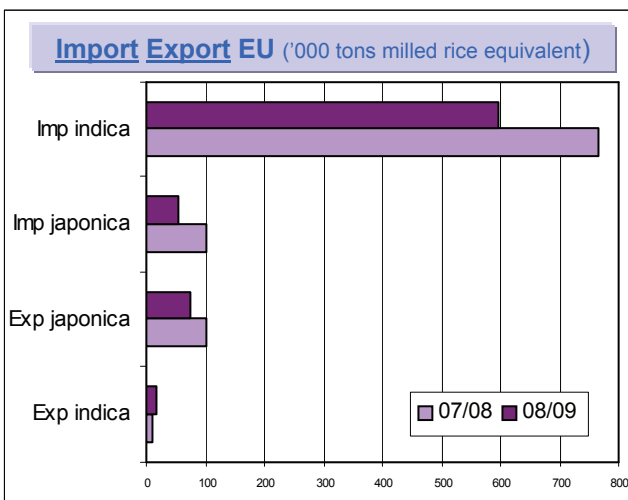
### In focus

Paddy sales by farmers reached 17,726 tons this week: 8,158 tons of long A grain, 5,693 tons of long B grain, 3,080 tons of round grain and 795 tons of medium grain.

Total sales reached 1,066,800 tons, 78.3% of the total stock. One year ago total sales were 1,419,006 tons corresponding to 91.5% of the total final stock (95% of the estimated stock).

Over the last month paddy prices at Commodity Exchange in Vercelli decreased of € 50 for Thaibonnet, of €45 for Ariete and of €20 for Arborio; from this week no quote for Selenio.

## European Market



### In focus

The EU imports amount to 648,574 tons in milled rice equivalent, 218,290 tons below the previous year level (-25.2%).

Husked Basmati rice imports are on a decreasing trend compared to last year (-47.7%); imports decreased of 143,473 tons (99,000 tons in milled rice equivalent).

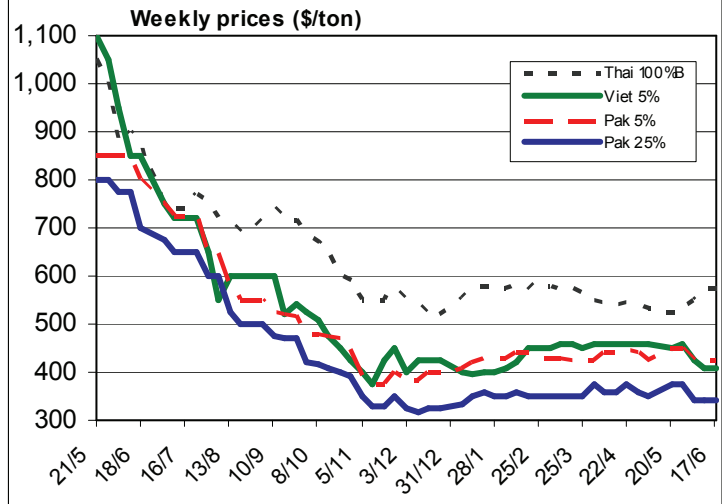
EU exports decreased of 19.3% compared to one year ago: from 111,947 tons in 2007/2008 to 90,340 tons this campaign. Last week licences were issued for 2,445 tons compared to 860 tons the previous week.

# International Markets

## Milled rice international FOB quotes

Exchange rate 1 € = \$1.3890

Asian Markets	\$/t	€/t
Thai 100%B	575	414
Vietnam 5%	410	295
India (MEP)	1,000	720
India Basmati trad.	1,800	1,296
Pakistan 5%	425	306
Other Markets	\$/t	€/t
Uruguay 5%	520	374
Argentina 5%	510	367
USA LG 2/4%	501	361
California MG 1/4%	1,175	846
Egypt 101	850	612



- Thailand** The quote of 100% B is \$50 higher than one month ago. The Government has put the sale of its stocks "on the back burner" for the time being. Instead, their concentration seems to be on the procurement of additional intervention stocks out of the dry season crop just harvested.
- Vietnam** The quote of 5% is \$40 lower than one month ago. The Government are considering a program that would call for the purchase of up 2 MMT (milled rice equivalent) out of the soon to be harvested summer/autumn crop by state owned agencies Vinafood I and II.
- India** Even though the Government has eased the export ban on rice by allowing up to 1 MMT to be sold through government channels, there is no sign yet of them totally opening up the market for the buffer stocks to penetrate.
- Pakistan** The quotes of 5% and 25% are, respectively, \$25 and \$35 lower than one month ago. Export shipments continue to be limited to containers to core markets in East Africa, along with the border trade with Iran.
- Usa** The quotes of Long Grain and Medium Grain are, respectively, \$6 and \$50 lower than one month ago. The market remains extremely quiet as the industry begins to transition from old crop to new crop.

## Food Safety

### Rapid Alert System (Source: EFSA)

- On 27<sup>th</sup> May a notification was sent on by Germany concerning unauthorised genetically modified (Bt Rice) rice noodles from China, via the Netherlands.
- After favourable counter analysis, Italy asks for the withdrawal of the notification sent on 13<sup>th</sup> May concerning *Enterobacter sakazakii* in creamed rice from Spain.
- On 5<sup>th</sup> June a notification was sent on by Germany concerning unauthorised genetically modified (Bt Rice, 2 types) rice noodles from China, via the Netherlands.
- On 12<sup>th</sup> June a notification was sent on by Italy concerning lead (3.7 ppm) in rice oil from Thailand.

## Rules and Calls for bids

### Commission Regulation (O.J.E.U. L 125)

The European Commission has published the Regulation (EC) No 423/2009 on the issue of licences for importing rice under the tariff quotas opened for the May 2009 subperiod by Regulation (EC) No 1529/2007.

## Other news

### Annan seeks support for plan to double African rice output by 2018 (Source: riceonline.com)

Former U.N. Secretary General Kofi Annan sought the support of Japan and other rice-producing countries to achieve a goal of doubling rice output in Africa by 2018, saying that sustainable production of the food would help ease hunger and poverty in the continent.

"The demand for rice in sub-Saharan Africa is increasing at double the rate of population growth. We should make a real effort to produce what we eat, and not export what we produce and import what we eat," Annan said. He pointed out that Africa imports nearly half the rice it consumes.

### Vietnam: National rice reserves don't greatly affect rice prices (Source: vietstock.com.vn)

The activities of purchasing and selling rice that serves the national reserves lead to demand and supply increases which do, to some extent, affect market prices. However these are good impacts. It is because when the rice price is low, the Government buy rice at high prices. Meanwhile, when the price is overly high, it will sell rice at below market price.

### Pakistan: rice exporters propose ACU for trade with Iran (Source: www.pakissan.com)

The Pakistani rice exporters have proposed to adopt Asian Currency Unit (ACU) instead of US dollar for trade with Iran, as Iranian Government is facing US embargoes. Iran is the major importer of Pakistani Basmati Rice and imported 500,000 tons last year, showing a remarkable market share of Pakistani Basmati Rice exports at 38%.