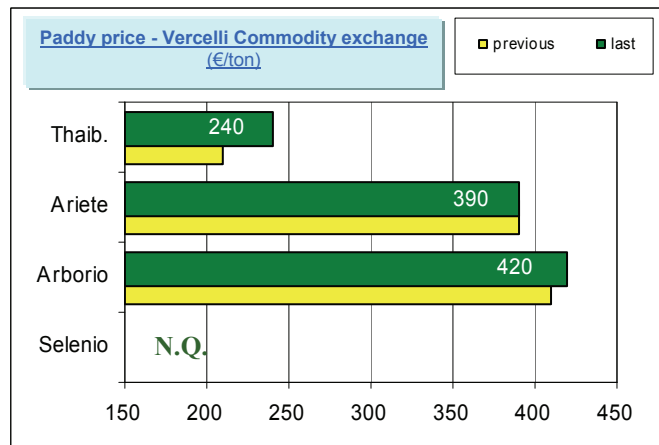
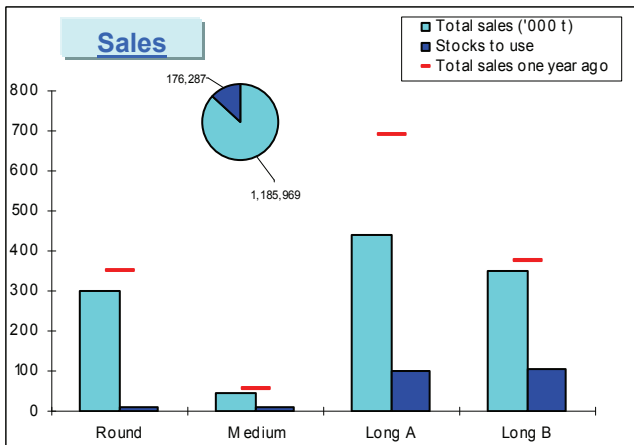




## Italian Market



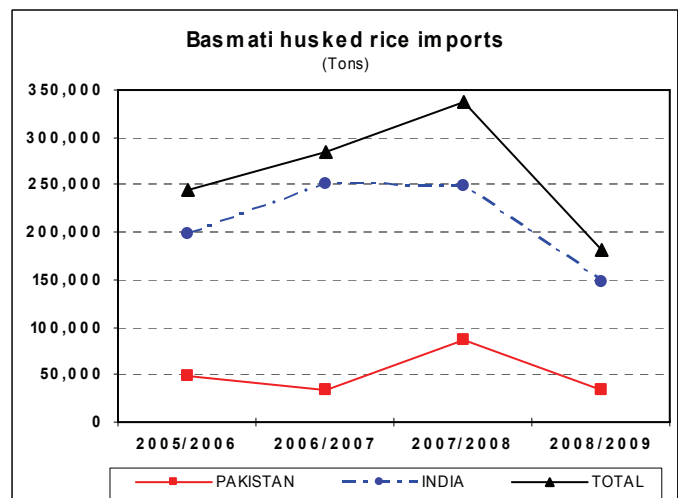
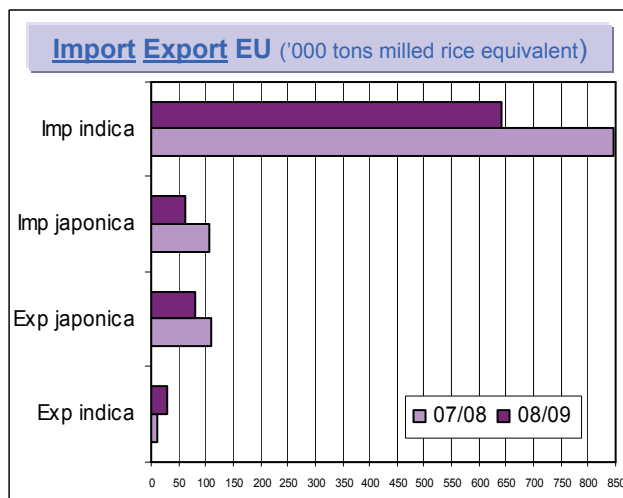
### In focus

Paddy sales by farmers reached 24,192 tons this week: 12,736 tons of long B grain, 8,179 tons of long A grain, 2,525 tons of round grain and 752 tons of medium grain.

Total sales reached 1,185,969 tons, 87% of the total stock. One year ago total sales were 1,499,153 tons corresponding to 96.7% of the total final stock (100.4% of the estimated stock).

Over the last two weeks paddy prices at Commodity Exchange in Vercelli increased of €30 for Thaibonnet and of €10 for Arborio.

## European Market



### In focus

The EU imports amount to 704,753 tons in milled rice equivalent, 248,210 tons below the previous year level (-26%).

Husked Basmati rice imports are on a decreasing trend compared to last year (-46%); imports decreased of 155,059 tons (107,000 tons in milled rice equivalent).

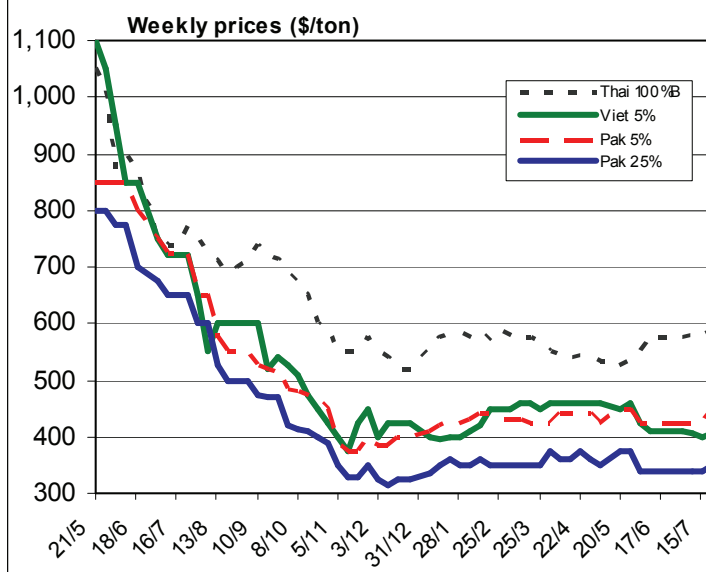
EU exports decreased of 10.5% compared to one year ago: from 121,563 tons in 2007/2008 to 108,750 tons this campaign. Last week licences were issued for 4,750 tons compared to 7.638 tons the previous week.

# International Markets

## Milled rice international FOB quotes

Exchange rate 1 € = \$1.4223

Asian Markets	\$/t	€/t
Thai 100%B	585	411
Vietnam 5%	405	285
India (MEP)	1,000	703
India Basmati trad.	1,800	1,266
Pakistan 5%	450	316
Other Markets	\$/t	€/t
Uruguay 5%	520	366
Argentina 5%	510	359
USA LG 2/4%	496	349
California MG 1/4%	N.Q.	N.Q.
Egypt 101	830	584



- Thailand** The quote of 100% B is \$5 higher than two weeks ago. Thailand's commerce ministry has announced that the Government would release 600,000 MT from its paddy rice stocks, instead of milled rice, for exporters to sell as parboiled rice.
- Vietnam** No change for the quote of 5%. It now appears as though the Government will allow their export quota to be expanded to 6 MMT, maybe more.
- India** No real news as regards the Government policy towards buffer stocks. The next 4-6 weeks will be key because we will have a clearer assessment of the monsoon.
- Pakistan** The markets conditions are basically unchanged. There have been issues raised once again against PASSCO about failure to take delivery of some rice in certain locations, which has subsequently caused quality issues and resulted in PASSCO wanting to renegotiate the price.
- Usa** In the Gulf there is a general lack of fresh demand. In California the markets conditions are basically unchanged as the mills remain pretty busy with old orders for the middle east and south pacific.

## Food Safety

### Rapid Alert System (Source: EFSA)

On 15<sup>th</sup> July a notification was sent on by Denmark concerning aflatoxins in basmati rice from India. The European Commission published [annual report \(2008\)](#) on the rapid alert system for food and feed.

## Other news

### Hom Mali rice under threat (Source: Bangkok Post)

Thai Hom Mali rice is under threat of losing its market share to Vietnam and China, as higher prices and a lack of investment in research and development are harming the prized Thai grain's export competitiveness. Thailand in the past exported about 2.5 million tonnes a year of the grain. This year, shipments are forecast at only 1.6 million tonnes, a drop from 2 million last year, as traditional buyers have shifted to other producing nations particularly for Vietnam. Thai Hom Mali is currently quoted at up to \$1,000 per tonne, almost double the prices of the grains from Vietnam and China which were quoted at only \$485 and \$400-500 per tonne respectively.

### Manila gets lowest rice offer from Thailand, Pakistan (Source: Reuters)

The Philippines is likely to buy 75,000 tonnes of milled rice from Thailand and Pakistan after Wednesday's tender and will probably purchase 200,000-300,000 tonnes more for the rest of the year, traders said on Wednesday. Three rice suppliers offered the lowest prices of the 25 percent broken grade from Thailand and Pakistan at a government tender on Wednesday, the first by the world's largest importer this year. Global trading firm Toepfer International made the lowest offer of \$472.72 per tonne, C&F, for 10,000 tonnes of rice from Pakistan.

### Japan launches new biofuel made from rice (Source: World's Latest News)

Japan has started selling of a new biofuel made from rice, which is expected to help the resource poor country reduce its dependence on imported gasoline and make better use of deserted farmland. The Niigata prefecture of Japan has begun the selling of the new biofuel, produced from domestically-grown brown rice and blended with gasoline at a ratio of up to three percent, the Mainichi Daily News newspaper reported Saturday. According to Japan's National Federation of Agricultural Cooperative Associations Zennoh (JA Zennoh), the bioethanol "is equivalent to regular gasoline both in quality and mileage, and will be available in a similar price range".

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