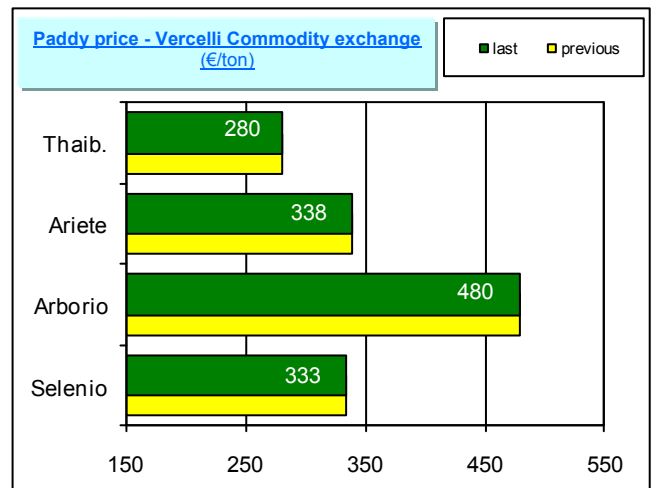
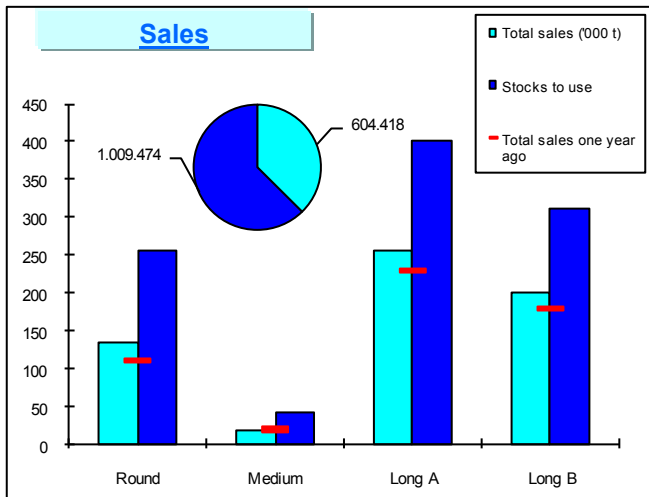




Italian Market

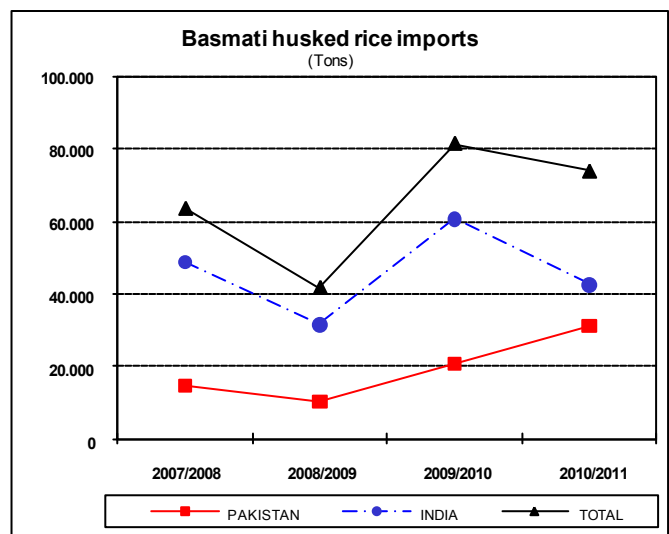
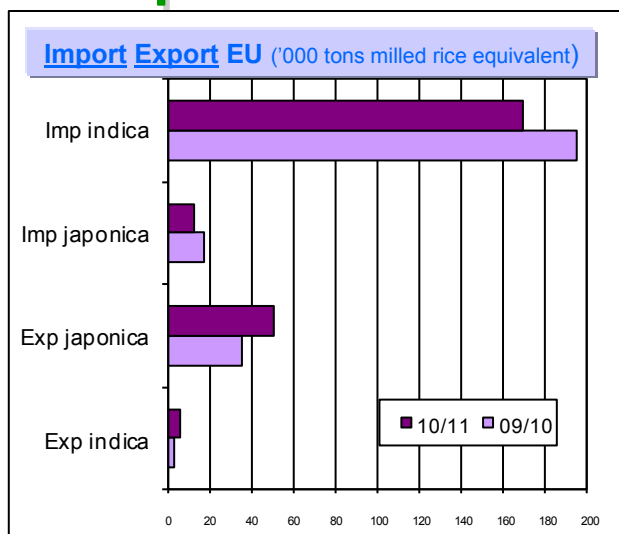


In focus

Paddy sales by farmers reached 37,844 tons this week: 16,607 tons of long A grain, 11,765 tons of long B grain, 8,687 tons of round grain and 785 tons of medium grain.

Total sales reached 604,418 tons, 37.5% of the total stock. One year ago total sales were 536,732 tons. The gap between total sales this year compared to lower items one year ago is +67,686 tons. No change for all varieties at Commodity Exchange in Vercelli.

European Market



In focus

The EU imports amount to 181,796 tons in milled rice equivalent, 14.3% below the previous campaign level (-4,429 tons of japonica rice and -26,007 tons of indica rice).

Husked Basmati rice imports were below the level of 2009/2010 campaign (-9.4%); imports decreased of 7,653 tons (5,300 tons in milled rice equivalent).

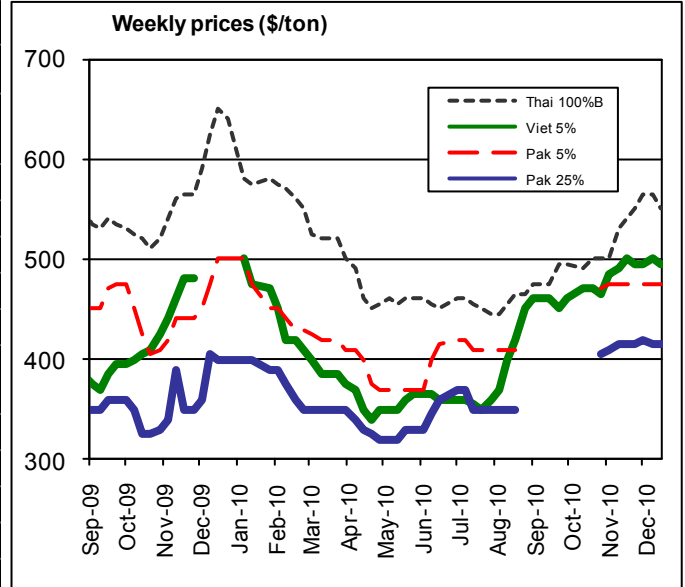
EU exports increased of 49.5% compared to 2009/2010 campaign: from 38,154 tons to 57,030 tons.

International Markets

Milled rice international FOB quotes

Exchange rate 1 € = \$1,3435

Asian Markets	\$/t	€/t
Thai 100%B	550	409
Vietnam 5%	495	368
Pakistan 5%	475	354
Pakistan 25%	415	309
India Basmati trad.	1.800	1.340
Other Markets	\$/t	€/t
Uruguay 5%	580	432
Argentina 5%	570	424
USA LG 2/4%	595	443
California MG 1/4%	875	651
Egypt 101 6%	N.A.	N.A.



- World** So far Bulog (Indonesian Agency) has bought 780,000 tons from Thailand and Vietnam collectively. The NFA (National Food Authority of Philippines) is likely to buy somewhere in the range of 1.5 million tons versus the 2.5 million tons during 2010.
- Thailand** The quote of 100% B is \$55 higher than two months ago. Thai prices are likely to remain firm for the next few months until increased competition is felt from other origins.
- Vietnam** The quote of Vietnam 5% is \$35 higher than two months ago as supplies of rice are very tight. Total exports from January to December 2010 amounted to 6.45 million tons.
- India** The rice output is estimated to be 95 million tons after late rains have damaged the crop. The export ban on non-basmati rice is still in place.
- Pakistan** The news is the dialogue ongoing between Pakistani and Indonesian officials about a possible Bulog purchase.
- USA** The quote of Long Grain 2/4% is \$110 higher than two months ago; the mills are quite busy up into January for most and February for some, on old Iraq business, regular shipments to Haiti and of the domestic market. The quote of California Medium Grain 1/4% is \$75 higher than last report; currently, there has been practically no competition for California on the supply side. However, one has to keep in mind the possibility of Egypt easing their export ban and the effect the Australian harvest will have come to second quarter of 2011. their crop is estimated to be around 800,000 tons basis paddy.

Food Safety

Rapid Alert System (Source: EFSA)

- Rejection at the UK border of basmati rice from Pakistan containing aflatoxins (B1 = 3.1; Tot. = 3.4 µg/kg - ppb).
- Rejection at the German border of basmati rice from Pakistan containing aflatoxins (B1 = 9.9; Tot. = 10.7 µg/kg - ppb).
- Rejection at the UK border of unauthorised genetically modified (BT63 rice) frozen sesame dumplings from China.
- A notification sent by Austria concerning unauthorised genetically modified (KeFeng6) rice noodles from China, via the Netherlands.
- An alert notification sent by France concerning aflatoxins (B1 = 5.47; Tot. = 6.06 / B1 = 3.4; Tot. = 3.7 µg/kg - ppb) in basmati rice from Italy.
- An information notification sent by Austria concerning unauthorised genetically modified (LLRice601) parboiled rice from Italy.
- Rejection at the UK border of basmati rice from Pakistan containing aflatoxins (B1 = 4.9; Tot. = 5.4 µg/kg - ppb).
- An information notification sent by Czech Republic concerning high content of aluminium (31.9 mg/kg - ppm) in quick cooking rice noodles from Vietnam.

Other news

Price To Remain Firm In 2011 Says IRRI (Source: IRRI)

The International Rice Research Institute (IRRI) has said in its recent report that rice prices are expected stay relatively firm in 2011 because of limited supply and erratic weather that may curb production in big producing countries. But Thailand's benchmark 100 percent B grade white rice was unlikely to go anywhere near the record high of \$1,080 PMT seen in mid-2008, senior IRRI economist Samarendu Mohanty said, expecting the high next year to be near \$600. Mohanty forecast total 2010/11 world rice production at 450 million MT of milled rice, down from a previous forecast of 460 million MT, saying that should support prices in 2011. The Indian government could allow export of some non-basmati rice on a case-by-case basis next year, but the combined amount could be below 3 million MT, which would have a minimal impact on the world market, said the report.

Rice market: record consumption likely in 2011-2012 (Source: USDA)

Nathan W. Childs, senior rice market analyst for the U.S. Department of Agriculture (USDA) Economic Research Service, spoke at the 2010 USA Rice Outlook Conference. Childs reported that USDA estimates the average U.S. rice yield decreased 6 percent this year compared to last year, primarily due to record high nighttime temperatures and other problems that impacted most of the Southern crop. The high temperatures also resulted in an estimated average milling yield of just 67.5 percent, the lowest reported milling rate since USDA began reporting milling rates in the 1960-1961 crop year. Childs told attendees that the global rice market in 2011-2012 is likely to experience a small increase in yields, slightly higher production, and record consumption largely driven by population growth. USDA also expects higher U.S. production costs and a substantial decline in U.S. long-grain area and production in 2011-12, Childs said. USDA's out-year projections assume normal weather and no changes in global or domestic trade policies. USDA will release its first official forecasts for 2011-12 in February.