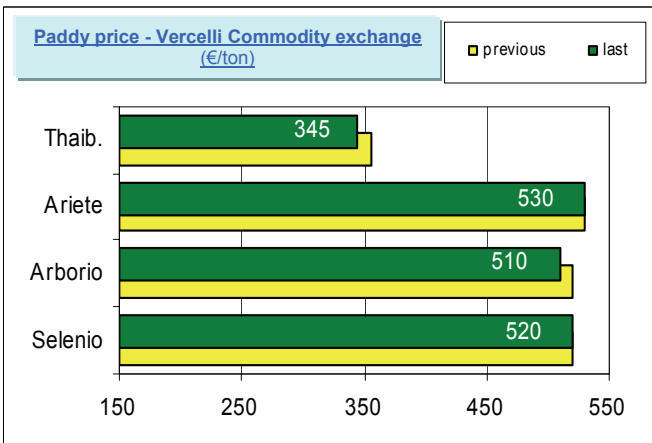
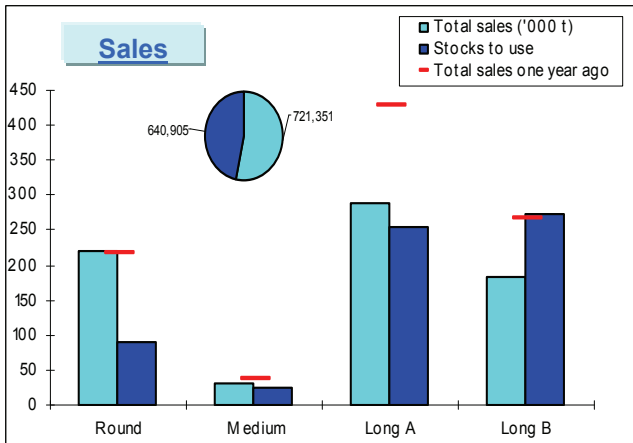




Italian Market



In focus

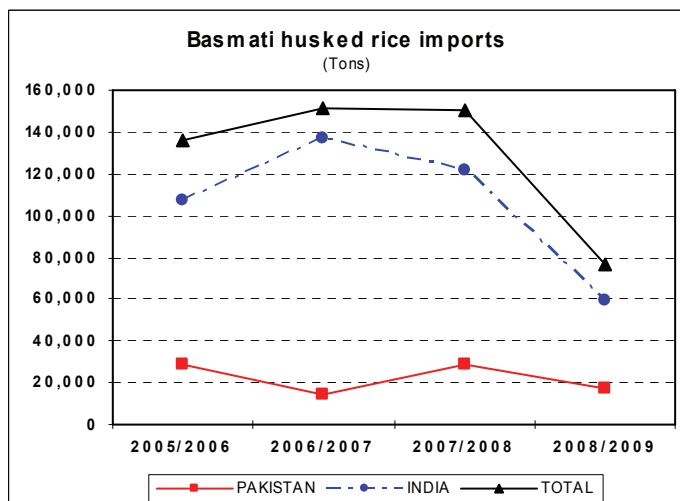
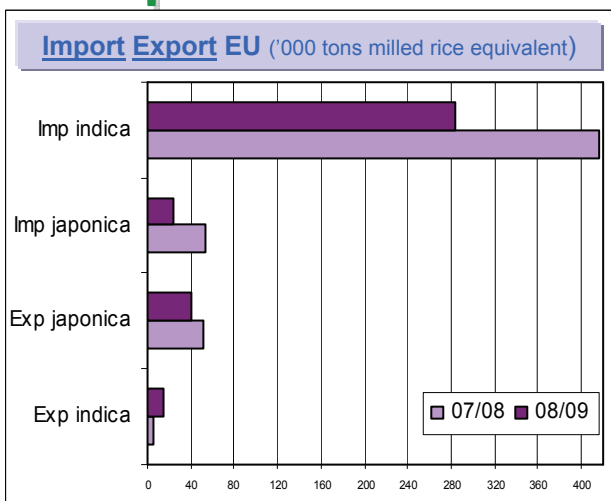
Paddy sales by farmers have reached 28,300 tons this week: 13,126 tons of long A grain, 7,759 tons of round grain, 6,661 tons of long B grain and 754 tons of medium grain.

The gap between total sales this year compared to the higher items one year ago, is now 225,842 tons. At the moment the difference is -141,013 tons for long A grain, -83,463 tons for long B grain, - 4,876 tons for medium grain and + 3,510 tons for round grain.

Total sales reached 721,351 tons, 53% of the total stock. One year ago total sales were 947,193 tons corresponding to 61.1% of the total final stock (63.4% of the estimated stock).

Over the last two weeks, paddy prices at Commodity Exchange in Vercelli decreased: for Arborio (-10 €/ton) and Thaibonnet (-10 €/ton); no change for Selenio and Ariete.

European Market



In focus

At last, the European Commission has registered the Gatt quotas allocated for the January 2009 subperiod (38,180 tons in milled rice equivalent), so now EU imports amount to 361,437 tons in milled rice equivalent, 28.4% below the previous year level (-111,874 tons of indica rice and -31,305 tons of japonica rice). Husked Basmati rice imports are on a decreasing trend compared to last year (-49.3%); imports decreased of 74,112 tons (51,100 tons in milled rice equivalent).

Now it's clear that for second half of campaign duty for husked rice will be 42.5 Euro/ton and duty for milled rice will be 145 Euro/ton.

EU exports decreased of 1 % compared to one year ago: from 61,803 tons in 2007/2008 to 61,189 tons this year.

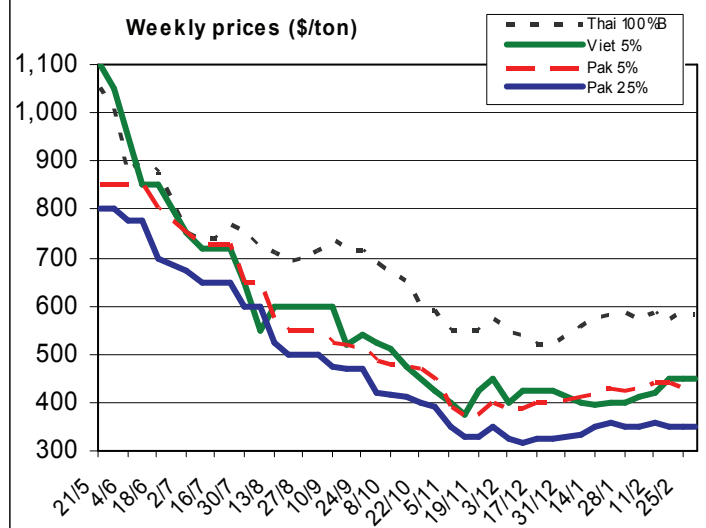
Last week licences were issued for 3,083 tons compared to 2,725 tons the previous week.

International Markets

Milled rice international FOB quotes

Exchange rate 1 € = \$1.2615

Asian Markets	\$/t	€/t
Thai 100%B	580	460
Vietnam 5%	450	357
India (MEP)	1,000	793
India Basmati trad.	1,800	1,427
Pakistan 5%	430	341
Other Markets	\$/t	€/t
Uruguay 5%	530	420
Argentina 5%	520	412
USA LG 2/4%	507	402
California MG 1/4%	1,150	912
Egypt 101	1,000	793



- Thailand** The quote of 100% B is \$10 higher than two weeks ago and it's higher than equivalent offers from both USA and South America origins. As regard the intervention program, the Government has announced he will extend the program into the Spring for up to 2 MMT out of the second or dry season crop.
- Vietnam** Over the last two weeks no change for quote of 5%. The export business already on the books concerned almost 3 MMT for the first half '09; this is 500,000 mt higher than projected by the Government. Consequently the Government imposed an export ban from now to June. In the meantime, exporters continue to scramble to cover product against old sales. Shipments are on going to Iraq, Cuba, The Philippines and various destinations in Africa. As regard tender for Iraq, there was one offer estended by Vinafood.
- India** The key issue continues to be the export ban. There are been several articles in the local print media indicating that the Government will soon at least ease the export ban and allow some shipments.
- Pakistan** The overall state of market is an absolute mess. It's very difficult to trade both locally and offshore.
- Usa Gulf** The market changed dramatically in a matter of days, as prices last week became much more competitive on the eve of the Iraq tender for milled rice. Over the last two weeks the quote of LG 2/4% decreased of \$55 .
- California** Unchanged the price of Californian medium grain milled rice and no real change in the market conditions as the mills remain quite busy on all kinds of orders.
- Egypt** So far the Government awarded 125,000 mt for export. Now the Egyptian rice is quoted.

Food Safety

Rapid Alert System (Source: EFSA)

- On 18th February a notification was sent by Germany concerning unauthorised genetically modified (Bt63) in rice macaroni from China
- On 18th February a notification was sent by Ireland concerning unauthorised genetically modified (Bt63) in rice flour from China (Hong Kong)
- On 25th February a notification was sent by Lithuania concerning aflatoxins in broken rice from Pakistan

Other news

Commodity prices forecast to rise again (Source: Financial Times)

Food commodity prices this year will remain above historical levels according to the US department of agriculture. USDA chief economist said the impact of the economic crisis on food consumption would depress agriculture commodity prices temporarily, but he warned that prices would remain well above average for the eight years since 2000. In spite of a drop in food prices, corn prices were at least 40 per cent above the 2003-06 average, and rice prices 100 per cent higher.

Asean summit: food security issue (Source: The Nation)

Discussions during the Asean summit included the food security issue. This could be seriously pursued, with Thailand already in a strong position due to its untapped resource potential. Together with major rice-growers like Vietnam and Burma, Asean can play a meaningful role in the rice trade.

Vietnam to establish 4 million tonne rice storage (Vietnam News Agency)

The Vietnam Government is working on the establishment of a modern rice storage system in the Mekong delta to ensure the nation's reserve for export. The system is required by Prime Minister to be capable of storing up to 4 million tonnes of rice and will include the existing storage chain, which will be repaired and upgraded to meet required standards. New storages will be built near sea ports for easy transportation. Both the upgrade of old storages and the building of new ones are expected to be completed by 2011.

Japan: change of the agricultural policy? (Source: L.R.B.A.)

Japanese government is considering a radical scheme that would allow rice farmers to choose whether to cut production and receive a subsidy for doing so or go it alone, as farmers who decide not to cut production will receive no support and be at the mercy of the market. The idea is to try and liberalise an industry, which has been protected for years. How farmers and cooperatives will react to the loss of a price support policy remains to be seen.

Recovery of sales of Italian rice industry in the beginning of 2009 (Source: Sole 24 ore Lombardia)

Mario Preve, President of Riso Gallo, said there is a recovery of sales of Italian rice industry in the beginning of 2009, after the fall in autumn 2008.