Rice industry and trade News

RiceNews

year 11° - n. 118
October 2021
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News

The difficulties of the rice sector in Cambodia and Myanmar *(Source: elaboration by Ente Risi on Livericeindex and Creed news)*

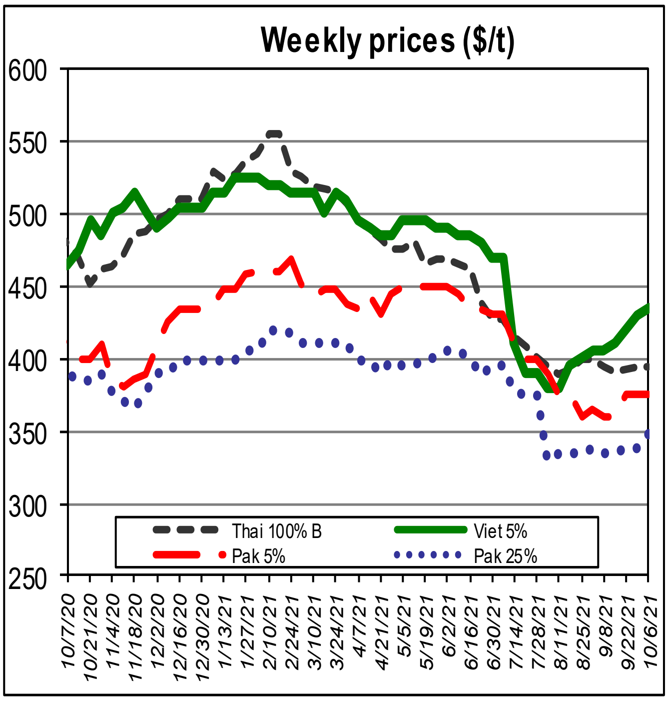
In the first 9 months of 2021, **Cambodia**'s rice exports were concentrated in China, which absorbed 50% of Cambodia's exports, and Vietnam, while exports to the European Union dropped 35%. European buyers may return to the Cambodian market in November, although some are likely to wait for the European Commission's decision on whether to extend the safeguard clause, which expires on 17 January 2022. The drought has resulted in a crop loss of around $100 million.
In **Myanmar**, the rice sector is facing difficulties due to uncontrolled inflation, which has greatly increased farmers' input costs, pandemic containment protocols, aversion to the coup by many foreign buyers and the economic crisis, which has reduced the real value of rice exports by 25%.
In addition, problems with container availability continue. Shipping lines are charging US$10,000-12,000 to ship a container to Europe, but this may be an attempt to convince exporters to prefer lighter and more profitable goods than rice for sea transport.

What will be the future of the EU-Mercosur agreement? *(Source: Ente Risi note)*

The free trade agreement between the EU and the countries of the Mercosur economic area, which are Argentina, Brazil, Paraguay and Uruguay, was signed in 2019 and provides for a zero-duty import quota for rice from the four South American countries that will gradually increase over six years and, when fully operational, will reach 60,000 tonnes. However, the agreement still has to be submitted for approval by the EU legislator (EU Council and European Parliament) and will have to be ratified by each EU Member State.
Within the European Parliament there is growing opposition to the agreement due to the incompatibility of the deal with the objectives of the European Green Deal and the Paris Climate Agreement, particularly following the deforestation of the Amazon, on which the agricultural policies of the four Mercosur countries are based, while among the various EU Member States there is opposition from Ireland, France and Austria.

International Markets

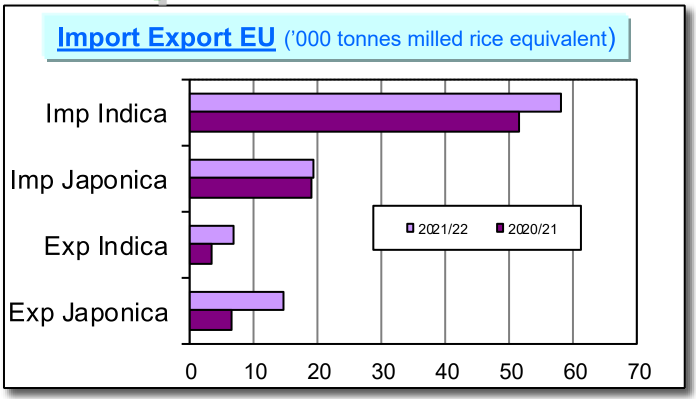
Milled rice international FOB quotes		
Exchange rate 1 € = 1.1542 $		
Asian Markets	$/t	€/t
Thai 100%B	395	342
Vietnam 5%	435	377
India 5%	365	316
Pakistan 5%	375	325
Pakistan 25%	348	302
Myanmar 5%	350	303
India Basmati trad.	1,475	1,278
Other Markets	$/t	€/t
Uruguay 5%	580	503
Argentina 5%	610	529
Paraguay 5%	N.Q.	N.Q.
USA LG 2/4% Fob Bulk Nola	615	533
California MG 1/4% Med	1,125	975

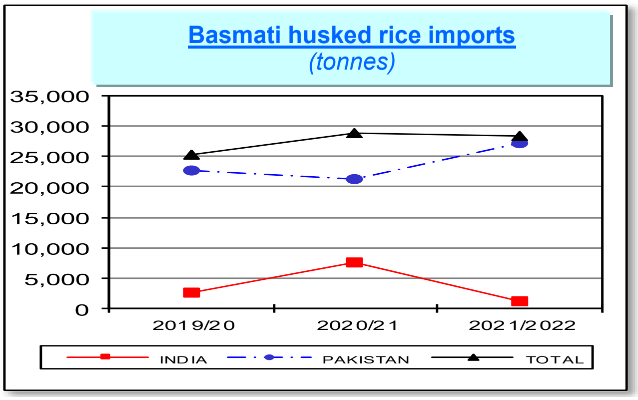


Food Safety

Rapid Alert System (*Source: EFSA*)
No alert concerning rice.

European Market



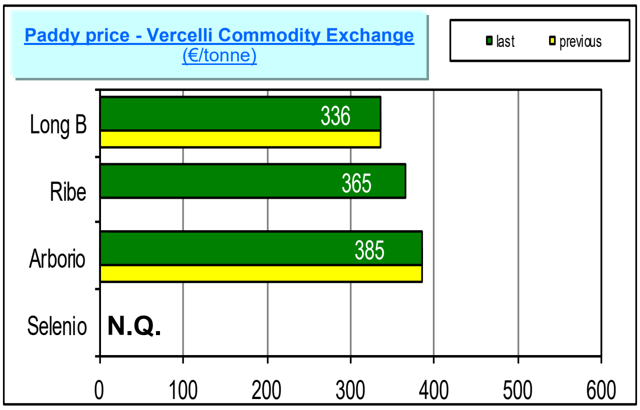


In focus

Imported volumes in the EU stand at around 77,600 tonnes, in milled equivalent, against 70,600 tonnes in the previous marketing year (excluding the UK), an increase of around 7,000 tonnes (+10%). French and Italian figures are still partially updated. Imports of husked rice, at around 35 800 tonnes, were up 21%, while imports of semi-milled/milled rice, at around 42 000 tonnes, were up 2%.
Imports of Basmati husked rice stood at almost 21,000 tonnes, down about 1,900 tonnes (-8%) from a year ago.
Exports amounted to about 21,600 tonnes, in milled equivalent, up about 11,700 tonnes (+118%) from a year ago. The increase is mainly due to the volumes destined for the UK (about 9,900 t) which were zero in the previous marketing year.

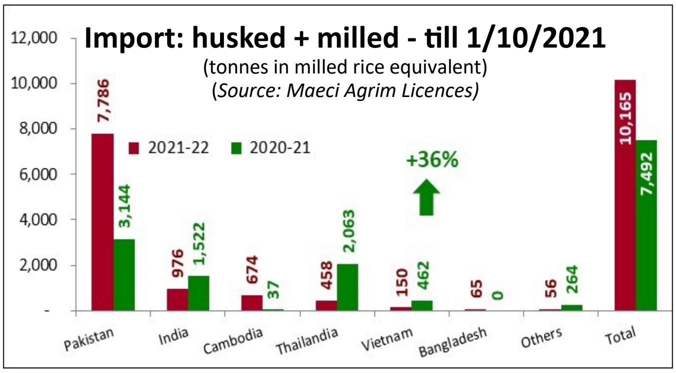
Italian Market

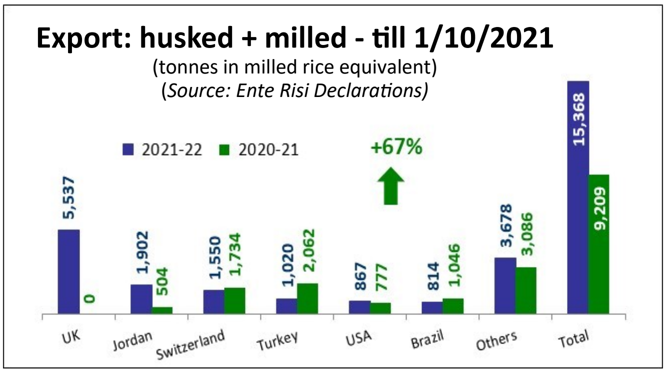
Paddy	CAMPAIGN	
TYPE OF RICE	2021/22 tonnes	2020/21 tonnes
ROUND	25,006	32,113
MEDIUM	3,803	3,498
LONG A	66,274	68,972
LONG B	41,165	41,783
TOTAL	**136,248**	**146,366**



In focus

The weekly figure for paddy rice transfers was 47,180 tonnes, broken down as follows: 19,253 of "long A", 15,556 of "long B", 11,040 of "round" and 1,331 of "medium". Overall, transfers amounted to 136,248 tonnes, a decrease of 10,118 tonnes (-7%) compared to the previous year.
At the Vercelli Exchange, the first quotation for Tipo Ribe was recorded (€/tonne 365); the quotations for Long B and Arborio remained unchanged, while Selenio remains unquoted.
Since the beginning of the campaign, operators have requested import licences for 10,165 tonnes, in milled equivalent and paddy excluded, up 36% compared to a year ago. Imports of husked Basmati rice from Pakistan account for 63% of the total volume covered by the licences issued.
The volumes actually cleared through customs show an increase in imports of 95%.
Exports, as repeatedly emphasised, show an important increase (+6,159 t; +67%) due to exports to the United Kingdom (5,537 t), which has become a Third Country. The first four destinations (United Kingdom, Jordan, Switzerland and Turkey) together account for 65% of the total export volume.





Italian imports till 29/09/2021 - Customs declarations - Source: DG Agri *(tonnes in milled rice equivalent)*

Campaign	Paddy			Brown rice			Semi-milled / Milled rice			TOTAL		
	Indica	Japonica	Total	Indica	Japonica	Total	Indica	Japonica	Total	**Indica**	**Japonica**	**TOTAL**
2021/2022	-	-	-	4,208	-	4,208	2,215	453	2,668	**6,423**	**453**	**6,876**
2020/2021	-	-	-	1,467	252	1,719	1,757	54	1,811	**3,224**	**306**	**3,530**

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