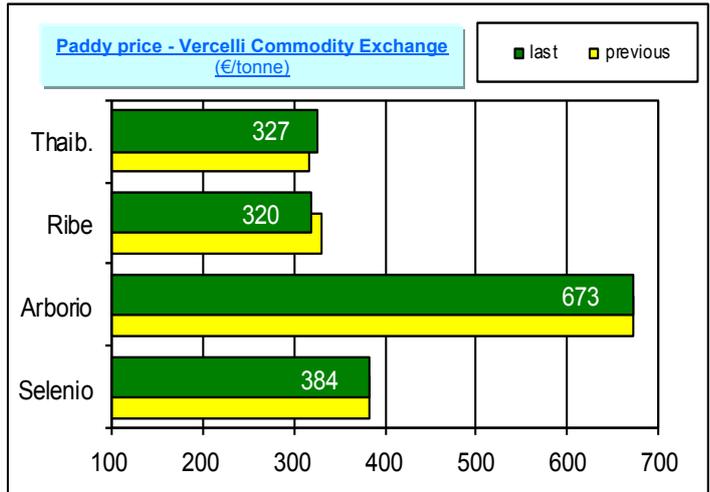
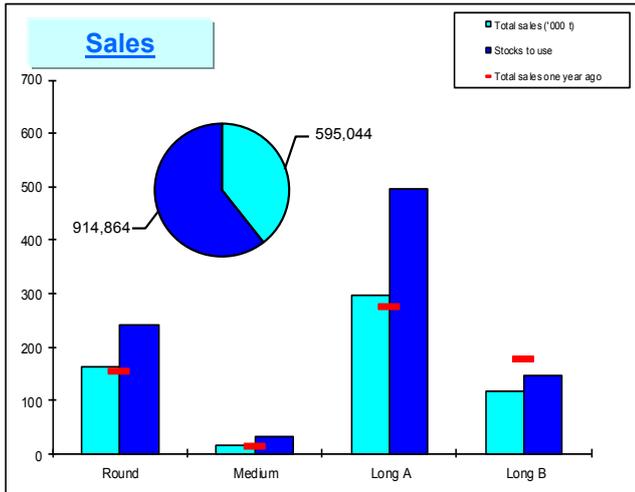




## Italian Market

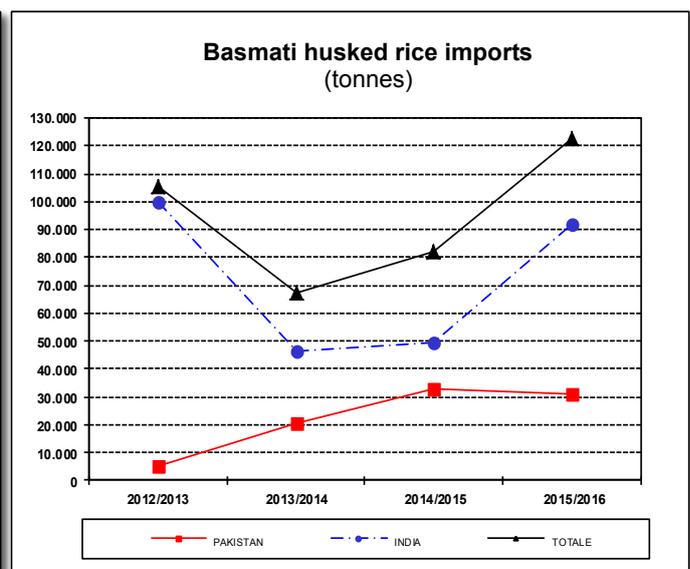
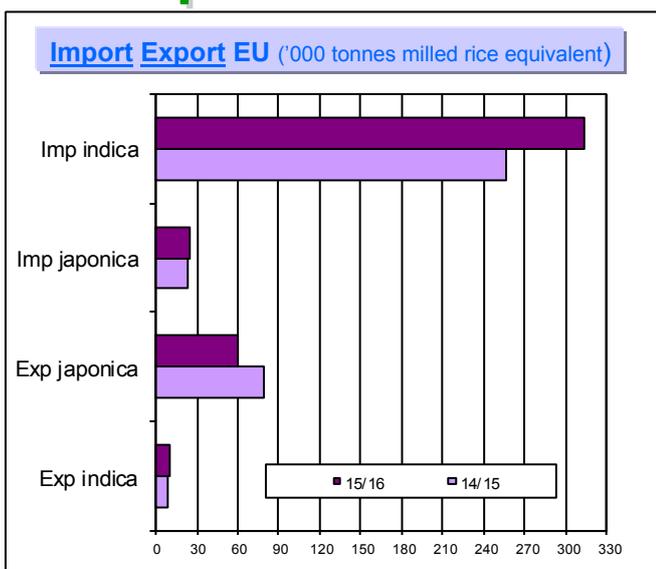


### In focus

In the last four weeks paddy sales by farmers reached 112,139 tonnes: 50,568 tonnes of long A grain, 34,268 tonnes of round grain, 23,107 tonnes of long B grain and 4,196 tonnes of medium grain. Compared to a year ago, total sales decreased of 36,014 tonnes (-6%). Total sales reached 39% of the total stock with a maximum value of 44% for long B grain which, however, are 64,075 tonnes (-35%) lower than a year ago.

Since the Commodity Exchange in Vercelli was closed on the 5<sup>th</sup> January, the quotation of 29 December 2015 are reported: paddy prices increased for Thaibonnet (+10 €/tonne) and decreased for Ribe (-10 €/tonne).

## European Market



### In focus

EU imports, updated 22 December 2015, amount to 337,700 tonnes in milled rice equivalent, 57,562 tonnes (+21%) more than in the previous campaign, primarily thanks to husked Basmati rice and husked no-Basmati rice imports, which are on an increasing trend of 41,000 tonnes (+50%) and 23,000 tonnes (+31%), respectively. Milled and semi milled rice imports amount to 186,000 tonnes (+13,000 tonnes, +7%).

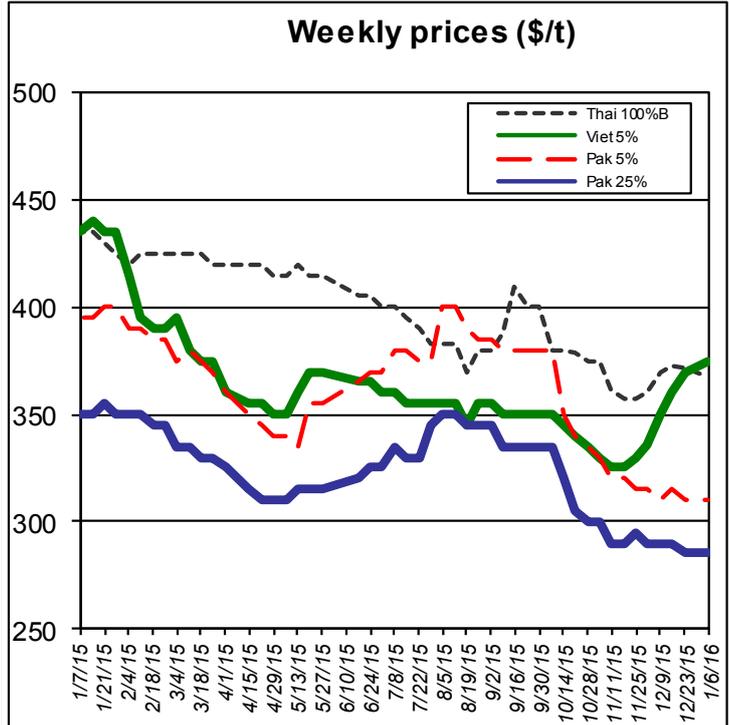
EU exports, amounting to 70,000 tonnes in milled rice equivalent show the greatest gap ever recorded: about 17,700 tonnes (-20%) less than a year ago.

# International Markets

## Milled rice international FOB quotes

Exchange rate 1 € = 1.0742 \$

Asian Markets	\$/t	€/t
Thai 100%B	365	340
Vietnam 5%	365	340
India 5%	360	335
Pakistan 5%	340	317
Pakistan 25%	310	289
Cambodia 5%	425	396
India Basmati traditional	1,075	1,001
Other Markets	\$/t	€/t
Uruguay 5%	500	465
Argentina 5%	495	461
Brazil 5%	450	419
USA LG 2/4%	500	465
California MG 1/4% Med	790	735
Egypt Medium Grain 2/5%	680	633
Egypt Round Grain 2/5%	630	586



### World

**South Korea** bought 20,000 tonnes of milled rice and 5,556 tonnes of Medium grain husked rice from the United States, as well as 10,000 tonnes of milled rice and 9,083 tonnes of Short grain husked rice from China.

According to FAO, in **Nigeria**, 2015 paddy production is expected to reach 4.6 million MTS, a 6% decline from the 4.9 million MTS produced in 2014 and slightly below the five years average of 4.61 million MTS. Nigeria remains the largest rice importers in Africa and second largest in the world.

In **Philippines** the National Food Authority (NFA) is planning to import at least 50,000 tonnes of rice from Vietnam and Thailand in order to ensure enough rice stocks in case of calamity.

Some Chinese companies are planning to invest in the construction and operation of rice warehouses in **Cambodia**. The project will contribute to boosting Cambodia's rice export to the international markets, including China.

### Thailand

According to the Thai Rice Exporters' Association, total exports up to the end of November 2015 were 8.6 million MTS, 9.4% lower than during the same period the previous year. The biggest fall in exports were those recorded for West Africa, whose imports lowered about 30%.

### Vietnam

According to the Vietnam Food Association (VFA), total 2015 exports are expected to reach 6.55 million MTS compared to 6.8 million MTS the previous year. On top of the official trade the VFA estimates around 1.5 million MTS crossed the Chinese border.

### India

India will now be included in the Indonesian Government's list of authorised selling countries. The Indonesian state could look to agree a Memorandum of Understanding (MoU) for the import of Indian rice in the near future.

### Pakistan

Despite the bullish sentiment for 2016, exporters have voiced their scepticism regarding the Pakistan Government's recently agreed Memorandum of Understanding (MoU) with Indonesia to export up to 1 million MTS between 2016 and 2019.

### U.S.A.

In 2015 Long grain milled rice exports total 476,000 MTS, 45,700 MTS lower than in the previous year. Exports to the European Union have increased by 12% to 11,200 MTS, the majority of which goes to the U.K.

### South America

Argentina, Brazil, Paraguay and Uruguay have all been affected by severe flooding which is likely to have a negative impact on rice production.

# Food Safety

## Rapid Alert System (Source: EFSA)

A border rejection notification was sent by Italy concerning aflatoxins (B1 = 27.3 µg/kg - ppb) in white rice flour from Sri Lanka.

# Other news

## Cambodia: rice exports are expected to increase by 10% (Source: [www.phompenhpost.com](http://www.phompenhpost.com))

Cambodian rice exports in 2016 are expected to increase at most 550,000 tonnes compared to the 500,000 tonnes exported in 2015. The Cambodian government needs to take action to lower the cost of rice production: they should reduce electricity costs, give rice millers VAT exemption, and develop warehousing capacity in the country, especially at ports. Cambodia needs to increase its exports to China and Malaysia, but other competitors countries, such as Pakistan, Thailand and Vietnam, will challenge them. Cambodia, having quality-wise better rice, will also face stiff competition from Myanmar for European Union exports. With El Nino having an impact this year, the yield of paddy rice will decrease in 2016. However, Cambodia will not confront any food shortages, because they have ensured food reserves for the local population. While farmers will not see much increase in their incomes next year, they could see a 5% price rise in the cost of white rice, which could help them earn a little more.