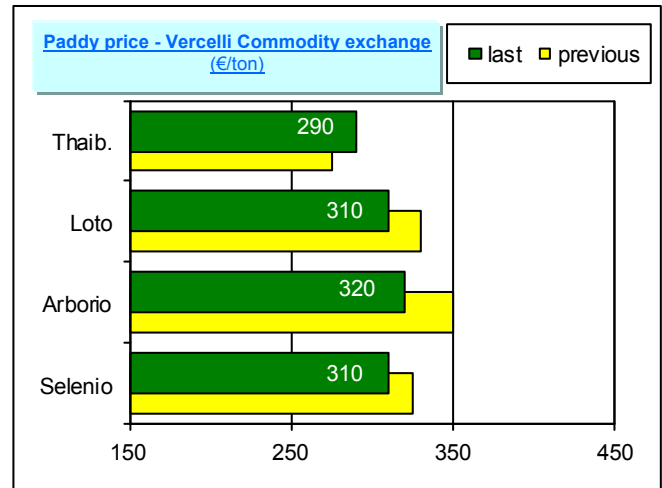
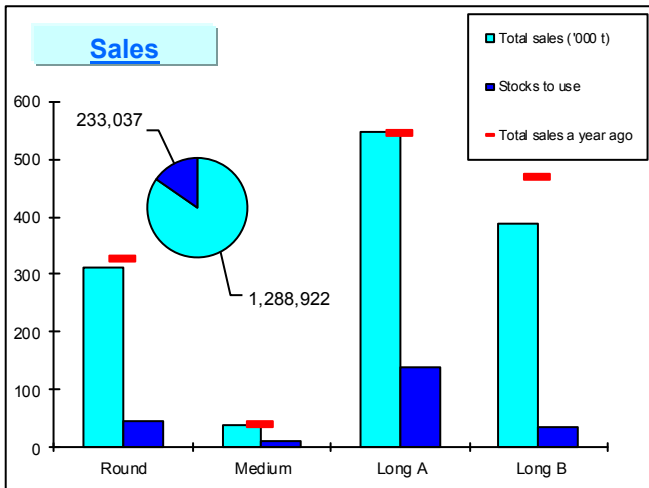




## Italian Market



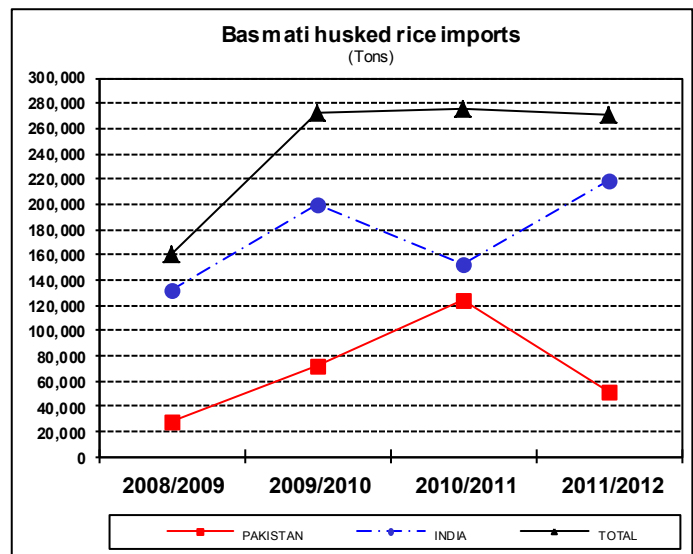
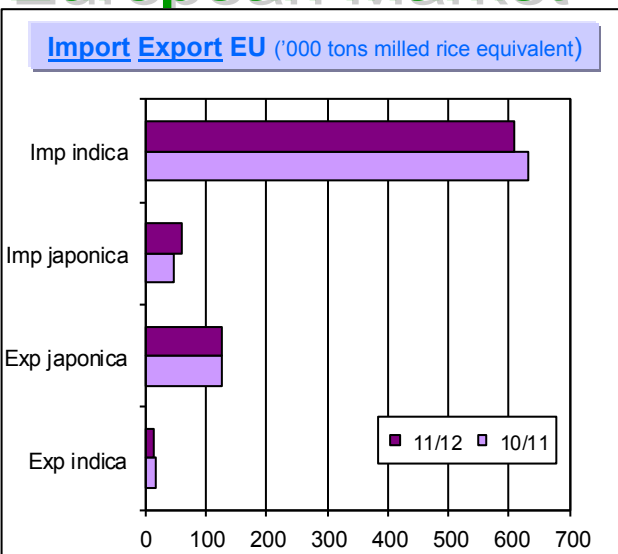
### In focus

Paddy sales by farmers reached 29,503 tons this week: 13,865 tons of long A grain, 7,606 tons of long B grain, 7,076 tons of round grain and 956 tons of medium grain.

Total sales reached 1,288,922 tons, 86.7% of the total stock. One year ago total sales were 1,391,840 tons. The difference between total sales this year compared to higher items one year ago is -102,918 tons (-7.4%).

At Commodity Exchange in Vercelli the paddy prices decreased for Arborio (-€30), Loto (-€20) and Selenio (-€15) compared to two months ago, instead the paddy price for Thaibonnet increased of €15.

## European Market



### In focus

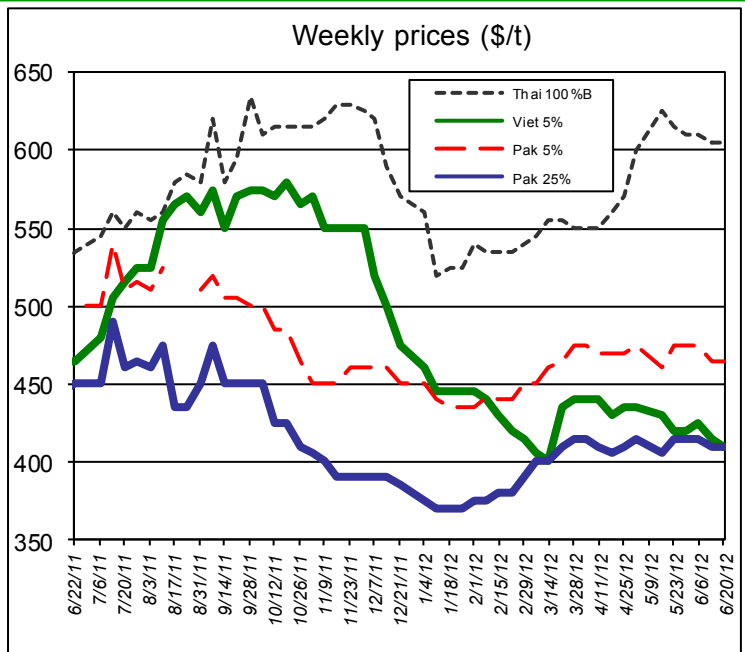
The EU imports amount to 670,963 tons in milled rice equivalent, 1.2% below the level of the previous campaign (-20,488 tons of indica rice and +12,054 tons of japonica rice).

Husked rice imports were 8.6% lower the level of the previous campaign, instead milled rice imports were 7.7% above the level of the previous campaign.

The EU exports amount to 141,292 tons in milled equivalent, 2.8% below the level of the previous campaign (145,328 tons).

# International Markets

Milled rice international FOB quotes		
Exchange rate		1 € = \$1.2704
Asian Markets	\$/t	€/t
Thai 100%B	605	476
Vietnam 5%	410	323
India 5%	420	331
Pakistan 5%	465	366
Pakistan 25%	410	323
India Basmati trad.	1,100	866
Other Markets	\$/t	€/t
Uruguay 5%	580	457
Argentina 5%	580	457
Brasile 5%	600	N.A.
USA LG 2/4%	557	438
California MG 1/4%	725	571
Egypt 101 6%	N.A.	N.A.



**World** Iraq bought 40,000 tons of milled rice from Thailand, 30,000 tons of milled rice from Uruguay and 30,000 tons of milled rice from Argentina. Iraq will likely float another tender in the next week or two.

**Thailand** The quote of 100% B is \$55 higher than two months ago. The Iraqi business has been the only real mainstay of a market in 2012, with Indonesia absent the market so far and The Philippines having bought the relatively small amount so far out of Vietnam. The biggest factor facing this market as well as global ramifications are the 15 million tons of intervention rice in the hands of the government.

**Vietnam** The quote of Vietnam 5% is \$30 lower than two months ago. Prices has continued to drift lower, amid large local stocks, upcoming summer/fall harvest, and relatively thin demand in spite of the 500,000 tons done with The Philippines. Offshore demand, principally from West Africa, has been significantly cut by competition from India.

**India** The government has increased the local minimum support price for paddy to try and placate the growers. Vessel loadings continue at very respectable pace with a total of almost 450,000 tons during late May and first half June. The primary destinations are in West Africa. Projections for the year are now around 7 million tons.

**Pakistan** The quote of Pakistan 5% is \$5 lower than two months ago. It is business as usual as the trade concentrates on core markets in East Africa, along with the border trade with Iran and Afghanistan.

**Usa** The quote of Long Grain 2/4% is \$55 higher than two months ago. The best offshore market for long grain milled rice continues to be Haiti.

## Food Safety

### Rapid Alert System (Source: EFSA)

A border rejection notification was sent by Czech Republic concerning unauthorised genetically modified rice vermicelli from China. An alert notification was sent by Czech Republic concerning lead (0.51; 0.293 mg/kg - ppm) in long grain boil-in-bag rice from unknown origin, via Poland.

An alert notification was sent by Spain concerning undeclared gluten (>80 mg/kg - ppm) in rice cakes from France.

An information for follow-up was sent by United Kingdom concerning foreign body (Possible infestation with rice weevils) in pudding rice from Italy.

One border rejection notification was sent by United Kingdom concerning unauthorised genetically modified brown rice noodles from China. An alert notification was sent by Czech Republic concerning unauthorised genetically modified basmati rice from India, via Italy.

One border rejection notification was sent by France and one by Norway concerning unauthorised genetically modified rice vermicelli from China.

## Other news

### Thailand: Commerce Ministry wants to establish rice federation in ASEAN (Source: Pattaya mail)

The Ministry of Commerce will be joining in a discussion with rice producers in ASEAN about the establishment of a regional federation for rice, hoping to lay down a joint rice management system.

Permanent Secretary for Commerce Yanyong Phuangrach said the Commerce Ministry will soon be meeting with representatives of rice producing nations which are also members of ASEAN. He said the discussion is to collaboratively formulate measures to prevent the price of rice from falling and regulate the management of such produce. The participants will coordinate on the government, private and political levels through a joint committee.

According to Mr. Yanyong, since ASEAN produces two-thirds of the global rice, it is important that members of the ASEAN community do not compete with but help one another to promote rice. He cited the much lower price of Vietnamese rice, which has attracted buyers away from Thailand, as an example of why ASEAN should strive for mutual growth in this industry.

Mr. Yanyong also proposed that a stock of ASEAN rice be set up, based on mutual efforts, in order to provide rice at affordable prices for member countries that demand a large volume of import, such as Malaysia, the Philippines and Indonesia.

### Vietnam: Farmers shift to higher-quality rice to meet demand (Source: Vietnamnet)

Many agricultural enterprises and farmers are shifting from growing low-grade rice to high-quality rice to meet the rising demand of both domestic and overseas markets, according to the Viet Nam Food Association (VFA).

Export orders of low-grade rice such as IR 50404 have dropped significantly in recent months, while domestic consumers are demanding more high-quality rice.