



Scheduled Report - public distribution

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European Union

Grain and Feed

Weekly rice report, Brussels, January 12, 1999 1999

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Report Highlights:

This weekly report contains data on rice prices in the U.S., Thailand and the EU. It also lists current import duties and export subsidies in the EU. All information will be published as such in the weekly USDA publication "Rice Market News".

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

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(1) MARKET SUMMARY

Rice markets around the world still have not quoted substantially different prices from a couple of weeks ago. U.S. exporters have closed sales contracts with EU importers under the first quarter tranche of the 1999 rice TRQ, which will account for a large part of future shipments to the EU. In muslim countries, rice business will only fall back to normal levels in about a week from today, when Ramadan ends.

Effective January 7, 1999 new import duties were fixed according to the new calculation method set out in EU Commission Regulation 2831/98. The calculation of import duties for brown Indica rice continues to use US long grain 2/4/73 and US long grain parboiled 1/4/88 as reference qualities for establishing the import reference prices. The prices relating to these two reference qualities were, however, increased by 8%, which for the duties effective January 7, translated into a duty decrease of EUR 25/MT.

The EU grain management committee held its first 1999 meeting on January 7. Although EU exporters are interested in exporting more rice under free market export tenders (see volume of bids below), the European Commission cut off export subsidies at levels far below the levels bid for by exporters. In the meantime, discussions are going on within the respective EU management committees with regard to the administrative arrangements for the first consignments of food aid to Russia. For rice, the first tranche currently being envisaged consists of 15,000 MT (out of the total of 50,000 MT), which will be supplied from Spanish, Greek and Italian intervention stocks.

COMMISSION AWARDS UNDER OPEN MARKET EXPORT TENDERS, GRAIN MANAGEMENT MEETING of January 7, 1999.

- Husked long grain rice to Reunion (Comm.Reg. 2563/98): 11,000 MT of bids, no licenses awarded.
- Wholly milled round, medium and long grain A rice to zones I to VI (except Cyprus, the Czech Republic, Estonia, Hungary, Poland, Slovenia, and Turkey) and to zone VIII (except Guyana, Madagascar, and Surinam), Comm. Reg. 2564/98: 6,015 MT of bids, licenses awarded for 195 MT at a maximum export subsidy of EUR 100/MT.
- Wholly milled round, medium and long grain A rice to Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia (Comm. Reg. 2565/98): 5,420 MT of bids, licenses awarded for 470 MT at a maximum export subsidy of EUR 104/MT.
- Wholly milled long grain rice to zones I to VI (except Turkey) and zone VIII (except Guyana, Madagascar and Surinam) (Comm. Reg. 2566/98): 4,100 MT of bids, licenses awarded for 1,600 MT at a maximum export subsidy of EUR 309/MT.

(2) LOWEST OFFERING PRICES BASIS C&F ARAG (UNLESS OTHERWISE STATED), FOR JANUARY SHIPMENT

(A) WHOLE LONG-GRAIN

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
UNITED STATES:		
2 Milled 4 pct	393.50	17.85
2 Brown 4/73 pct	347.21	15.75
1 Brown parb 4/88 **	380.28	17.25
Medium Milled 2/4	380.28	17.25

* F.A.S. basis

** While nominal price quotes are for 1 BROWN PARB 4/88, these quotes in reality refer to rice that meets all U.S. No.1 requirements except for one or two categories. Current and historical trade practice is for rice shipped to the EU to be graded only as No.2 and to be further processed upon arrival.

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
SURINAM:		
Brown 4/72 Pct Grade A *	N.Q.	N.Q.
Brown 6/70 Pct Grade B **	N.Q.	N.Q.
GUYANA:		
Brown 6/70 Pct Grade B **	N.Q.	N.Q.
SURINAM/GUYANA Semi-Milled:		
70-75 Pct Guyana	N.Q.	N.Q.
70-75 Pct Surinam	N.Q.	N.Q.

* C&F Liner out Rotterdam

** C&F F/O Rotterdam

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
THAILAND:		

TWR 100% B	335.00 C&F	15.20
Parb LZ 4-88%	340.00 C&F	15.42
Loonzain 100% B	305.00 C&F	13.84
A1 Super	285.00 C&F	12.93
Fragrant WR 100%	495.00 C&F	22.45
Fragrant LZ Super	435.00 C&F	19.73
Fragrant LZ Supreme	455.00 C&F	20.64
EUROPEAN UNION *:		
Milled LG 5 Pct	589.78	26.75
Milled parb LG	655.31	29.73

(B) WHOLE RMG

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
ITALY*:		
Milled Medium 5 Pct **	560.00-577.86	25.40-26.21
Camolino 5 Pct	N.Q.	N.Q.

* Lira/U.S.\$ exchange rate per 01/11/99: \$1=ITL 1678.60

** FOT Vercelli area

(3) IMPORT LEVIES ARE CHANGED SINCE 01/07/99

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	EUR/MT	EUR/MT	US\$/MT	US\$/MT
	General	ACP	General	ACP
Brown RG+MG Regul + Parb	250.38	83.29	289.66	96.36
Brown LG Regul + Parb	232.92	77.18	269.47	89.29

Milled RG Regul + Parb	457.53	147.74	529.32	170.92
Milled MG + LG Regul + Parb	457.53	147.74	529.32	170.92
Brokens	152.00	49.58	175.85	57.36

ECU/US\$ exchange rate 01/11/99= 1.1569

(4) EXPORT SUBSIDIES ON RICE, effective 11/27/98

	EUR/MT	US\$/MT
Brown RG+MG+LG Reg, RG+MG+LG Parb, to Switzerland, Liechtenstein, Livigno and Campione d'Italia	86.00	99.49
Semi-milled RG+MG+LG Reg, RG+MG+LG Parb to Switzerland, Liechtenstein, Livigno and Campione d'Italia	86.00	99.49
Milled RG+MG+LG Reg, RG+MG+LG Parb, to Switzerland, Liechtenstein, Livigno and Campione d'Italia	108.00	124.95
Milled RG+MG+LG Reg, RG+MG+LG Parb, to Zones I, II, III, VI, Ceuta and Melilla	114.00	131.89
Milled RG+MG+LG Reg, RG+MG+LG Parb, to Zones IV, V, VII (C), Canada, Zone VIII, with the exception of Surinam, Guyana and Madagascar	119.00	137.67
Milled RG+MG+LG Reg, RG+MG+LG Parb, to destinations mentioned in Art. 34 of amended Comm. Reg. 3665/87 (=Supplies to internat. organiz. established in the EU, supplies to armed forces etc.)	-	-