

## Intervention a risk to Pakistan rice exports

PAKISTAN is expecting to export up to 3.5m tonnes of rice in the 2009/10 financial year, government officials and traders said on Tuesday. However a top miller warned that state intervention could yet hinder progress.

As the world's fifth-largest rice exporter, Pakistan was hoping to export around 4m tonnes last year, which ended on June 30, but actually only sold around 2.9m tonnes following a government intervention in the market which forced up prices, traders said.

The government buying of rice and paddy was aimed at helping farmers and maintaining stability in the domestic market in the face of a bumper crop of 6.9m tonnes of milled rice.

But traders now claim that the intervention left Pakistan uncompetitive in the international market.

Government officials and millers are now expecting an output of 6.4m tonnes of rice this year, and Malik Mohammad Jehangir, chairman of the private Rice Exporters Association of Pakistan, said that they were aiming to export around 3.5m tonnes.

"The government should not involve itself in the export business. If they do, it will definitely hurt exports," Mr Jehangir warned.

A cabinet minister said this month that Pakistan would have 5.76m tonnes of rice available for export, some of which would be made up from stocks left over from the previous crop.

But a Food Ministry spokesman, Qadir Bukhsh Baluch, said that the quantity included varieties of rice which were not traditionally exported.

Mr Jehangir said that the association members had visited several countries in recent months to explore new export markets and had a good response, particularly from South Africa and Gulf countries.

A Pakistani trader said last month that the country was expected to ship up to 300,000 tonnes of parboiled rice to Africa in 2009/10, compared with 30,000 tonnes the previous year.

Pakistan sold 30,000 tonnes of rice this month to Iraq, which tendered for a total of 90,000 tonnes.

# Rain hampers European wheat

By Amy Roskill

UNFAVOURABLE autumn weather and low wheat prices have slashed the area sown to winter grains in central and Eastern Europe, potentially affecting 2010 crop output, industry officials and analysts said on Wednesday.

Excessive rainfall delayed wheat and barley sowings in Bulgaria, Romania and Hungary, officials said.

The situation in Romania has been further exacerbated by the country's politics, as the presidential election campaign also distracted farmers from their plantings.

"Rains, people focusing mostly on political campaign for the presidential election... they have all delayed autumn sowings," said an official at the Romanian agriculture ministry.

Romania has so far sown 1.8m hectares to wheat and 209,000 hectares to barley, less than a

planned 2.2m and 223,000 hectares, respectively. Last year, the Balkan country put 2.26m hectares under wheat and 216,000 hectares under barley.

In neighbouring Bulgaria, persistent wet weather throughout October and early November prevented farmers from accessing their fields in order to continue planting their crops.

As a result, wheat plantings have totalled just 870,000 hectares as of the past week, down from the expected 1.1m hectares.

However, despite the outlook, the Bulgarian farm ministry remained upbeat, stressing that the delay would be compensated and the wheat and barley acreage would match last year's level. The optimism is not shared by some farmers who have expressed concerns that the delay in plantings will impact negatively on their yields.

"The ideal time for sowing is by

the end of October. Everything sown after that is more vulnerable to winter frosts and will have lower yields," said an official at the Bulgarian National Grain Producers Association.

Torrential rains have also affected the sowing in Hungary, where farmers put 1.03m hectares to wheat as of November 23, compared with 1.14m hectares last autumn, farm ministry data showed.

In Poland, one of the major grain producers of the EU, farmers are expected to have planted slightly less wheat than last year because they dedicated more area to rapeseed due to its higher prices, analysts said.

"We can expect (the winter wheat and barley sowings) will be smaller because prices are at a disadvantage, especially in relation to rapeseed," said Wieslaw Lopaciuk, an analyst at the Institute of Agricultural and Food Economics.

## Better US feed grain output stalled by maize

US feed grain output, including wheat, maize, barley and oats, is scheduled to be up year-on-year, although the estimate has been revised down from last month's outlook, the USDA said in its latest report.

The country's feed grain production for the 2009/10 season has been forecast at 343.7m tonnes, down from 346.2m tonnes last month but up from the 325.9m tonnes seen in 2008/09.

According to the report, the bulk of the month-on-month decline was accounted for by drops in maize, barley and sorghum output – while oat production remained stable.

However, the forecasts for imports and exports of the feed grains were left unchanged, meaning that the total supply was expected to decline by the same amount.

In line with the supply predictions, the usage of feed grain across the US in the 2009/10 season has been pegged at 347.2m tonnes, down from the 348.6m tonnes projected last month but up from the 326.8m in 2008/09.

The growth of the ethanol industry is also expected to have an impact on feed grain usage according to this month's predictions.

"Minor changes were made for the 2008/09 marketing year for feed grains as a result of final ethanol production numbers, which lowered maize food, seed, and industrial use but raised maize feed and residual use," the report said.

For the marketing year, which runs from September to August, feed and residual use for the four feed grains plus wheat in 2009/10 is projected to total 149.4m tonnes, up from 145.5m tonnes the year before.

Maize is expected to make up the vast majority of the feed grain use, accounting for a massive 92% of the total, unchanged from 2008/09.

## Indian soyameal priced out of world market

ASIAN buyers have been shunning Indian soyameal and instead turning to US and South American suppliers, after a hike in Indian prices.

Southeast Asian soyameal importers booked around 50,000 tonnes of soyameal from the US and Argentina over the 10 days to November 25, at a cost of between \$455 and \$465 per tonne for shipment in December and January 2010, traders said.

"Basically, India priced itself out of the market and buyers are taking US and South American meal," said

one trader with an international trading company in Singapore. "Now Indian meal costs nearly the same as American meal at around \$460 to \$470 a tonne, but people will take American meal, which is of better quality."

India, which is normally an active soyameal seller at this time of the year, is quoted at just a \$10 discount to soyameal from Argentina and around \$15 cheaper than US-origin meal.

Indian soyameal was quoted at \$432 a tonne, free alongside ship at

Mumbai port on November 20, up from the previous week's \$420 a tonne.

"They have a lower (soyabean) crop which is one reason, and on top of that, the rupee has strengthened, which is making Indian meal more expensive," another Singapore-based trader explained.

In the week ending November 20, traders said that Taiwan's Breakfast Soyabean Procurement Association had sealed a deal to buy one cargo of soyabeans totalling 57,500 tonnes from the US.