



By Appointment to
Her Majesty The Queen
Fine Food Ingredient Importers & Distributors
Lupa Foods Ltd
Borehamwood



Your partner
in food since 1902

MARKET UPDATE

RICE

OCTOBER 2022

YOUR PARTNER IN FOOD SINCE 1902

Lupa Foods is a UK based full-service B2B partner to the food industry.

With a global and domestic sourcing footprint, we provide a selection of more than 600 bespoke and commodity products, combined with services that include NPD, technical, procurement, logistics and business.

Innovation and a customer centric approach is at the forefront of everything we do, and our 120 years' experience the foundation we build our customers' success on.

BRCS

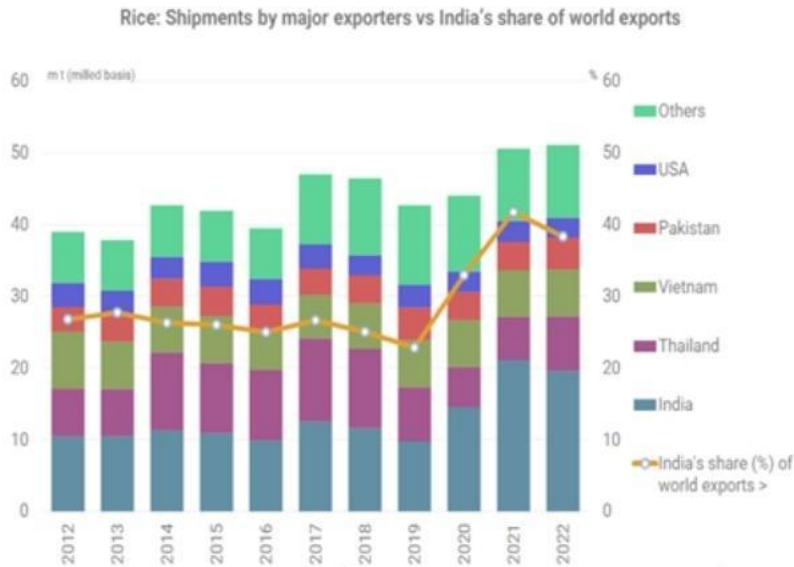
Agents and Brokers

CERTIFICATED

Pricing of this commodity is heavily influenced by India, the world's largest exporter of the grain. Their output is pivotal to global pricing.

They've recently banned exports of broken rice, and also imposed a 20% duty on exports of various grades of rice. This will place substantial stress on global food security, and will have an inflationary impact on food prices. This export ban and duty addition will also have a subsequent impact on corn and wheat markets, deepening the inflationary impact.

Rice prices in key export regions; India, Thailand, Vietnam and Myanmar are set to rise, hitting food importers already suffering from higher costs due to adverse weather and the Russia-Ukraine war.



GLOBAL OVERVIEW



GLOBAL OVERVIEW

Supply of urea (ammonium nitrate) has tightened in Europe. This is due to halting of production amidst the ever rising energy prices. Combining the reduction in fertilizer production with the challenging weather has influenced the availability of rice.

India's domestic urea production is around 26 million tonnes, while demand is around 35 million tonnes. And, the gap is met through imports.

Thailand and Vietnam have agreed to cooperate on raising prices, a move aimed at increasing their leverage in the global market and boosting farmers' incomes.

During the latter part of August, China saw extreme highs in temperature. This has had an immediate impact on their availability, and has forced their import numbers to increase, which impacts global demand.

It is useful to note (for context) that the largest importers of rice are: Philippines, EU, China, Iran, UAE, Nigeria, USA and Saudi Arabia.



RICE-ITALY

Prices for Italian round and medium grain rice are at record levels. The Italian rice market is in a perfect storm where demand is high and farmers are not selling their paddy rice. Due to the lack of imports, lower production numbers, the strong demand and lack of alternatives, farmers are pushing the prices up.

Banks are financing farmers to hold on to their paddy rice. Italian farmers have invested in larger storage capacities and therefore are in the ability to keep paddy out of the market. Price expectations of the farmers are high due to record prices for other crops.

Below is a Mintec graph for Paddy Arborio rice from Italy. This shows a huge shift in the GBP/MT price YoY (About 90%).



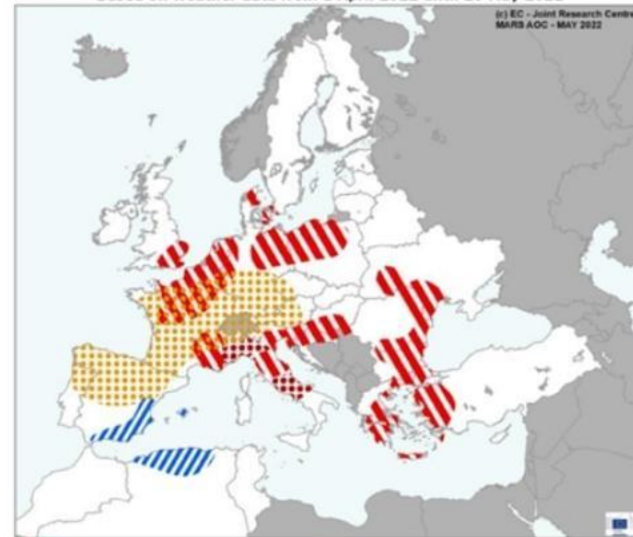
North-Italy has been confronted with a serious drought. The Po valley hasn't seen a lot of rain. Additionally the Italian Alps had a small snow pact that will lower river levels.

High fertilizer prices, drought and high prices for soy beans have resulted in a contraction of 5 % of the rice cultivation area. This means around 10,000 hectares less and will result in 80,000 MT less of paddy. As the drought continues this will result in a loss of yield.

There has been some rain in Italy during August and September. However this is falling onto very dry, hard ground, and has arrived too late in the season, so the impact on the crop is minimal.

AREAS OF CONCERN - EXTREME WEATHER EVENTS

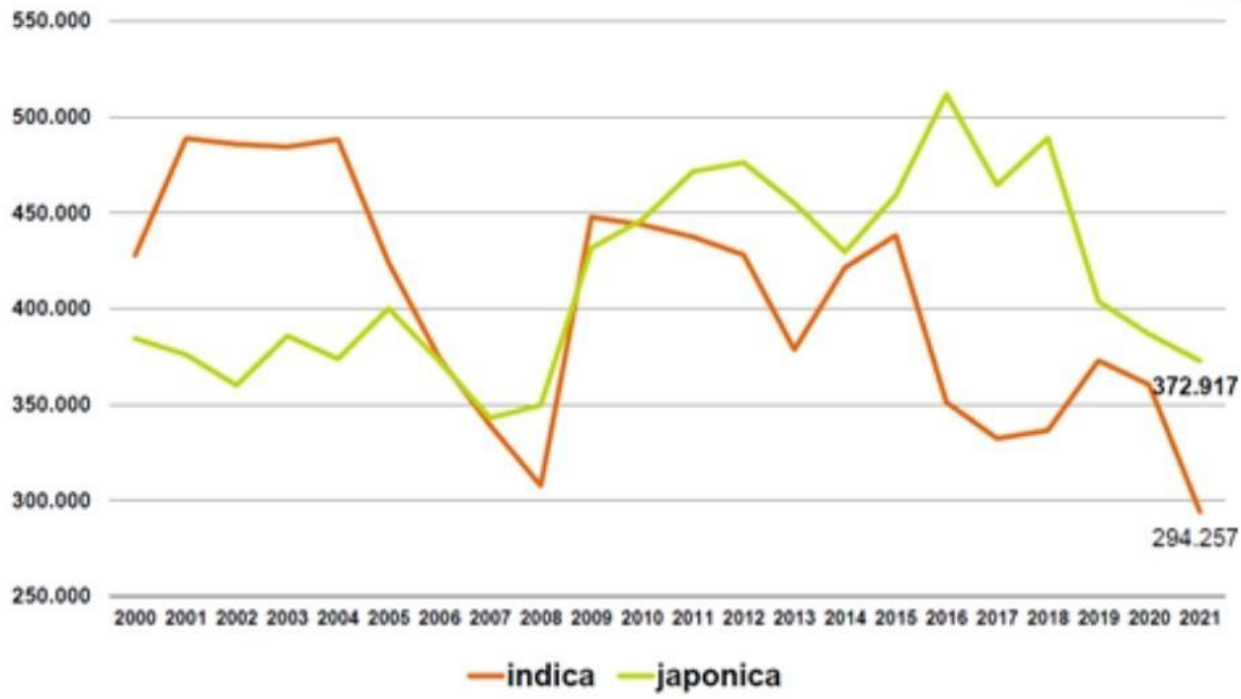
Based on weather data from 1 April 2022 until 20 May 2022





RICE IN SPAIN

Output of Indica and Japonica in Spain



- Decrease in both japonica and indica.
- Heavily driven by indica, which decreased by almost 20%.
- Spanish rice crop is down with 10% compared to last year.
- Numbers continue to reduce since 2015, and production is 14 % lower than 3 years ago.
- Largest decrease is in Andalusia (more than 35 %).



MISSION

WHY LUPA FOODS?

We aim to be an essential partner to the food industry for quality ingredients.

To be a leader in the development, supply and production of sustainable, high quality and innovative products. We earn the respect and loyalty of customers through consistency and product excellence, and by focusing on customer service.

We care for the environment, striving to continuously reduce our impact on the planet, ensuring a better future for all that calls it home.

SEASONALITY



CONTRACT START



PROSPECTING / CROP



CONTRACT CONFIRMATIONS

	January	February	March	April	May	June	July	August	September	October	November	December
UK SEASON												
PASTA												
COUS COUS												
PULSES												
RICE												
OLIVES												
CAPERS												
TOMATOES												
SWEETCORN												
GHERKINS												
PEPPERS												
BEETROOT												
SAUERKRAUT												
JALAPENOS												



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REACH OUT



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