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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Increase in imports to the EU of Japonica rice
	- Information from the Italian delegation

Delegations will find in the <u>Annex</u> a note from the <u>Italian delegation</u> on the above-mentioned subject, to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 15 July 2019.

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INCREASE IN IMPORTS TO THE EU OF JAPONICA RICE

From the beginning of this year until June 2019, the official data provided by the Services of EU Commission, have showed that around **60.000 tonnes** of milled *Japonica* rice have been imported, at zero duty, from Myanmar.

The above-mentioned quantities compared to those of the same period of the previous year shows a huge increasing of *japonica* rice imported in the EU about **34.000 tonnes** (+141%).

Indeed, having adopted the safeguard clause the imports of *indica* rice have decreased in the last months in the EU, but meanwhile a huge increase, at zero duty, in imports of Japonica milled rice (the safeguard clause has been applied only for the *indica*) has been registered.

In this case, it is worth to consider that huge imports of milled Japonica rice could generate serious difficulties and damages to the EU rice producers for japonica rice accounts for 75% of total EU rice production.

Secondly, it should be considered that the EU rice sector, by the recent activation of safeguard clause, is trying to reach a fair balance in the rice market after years of turbulence caused by huge imports of rice, at zero duty, from the EBA Countries.

Moreover, it is worth to remind that the recent FTA agreements with Vietnam and Mercosur have stated some concessions for further tariff quotas of import of rice from those Countries, at zero duty.

In this context, the rice growers are very concerned about a fair balance of the EU rice market and the future of the entire EU rice sector also.

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For these reasons, we do invite Commission:

- 1. To monitor closely the trend of duty-free imports of milled Japonica rice from Myanmar and the relative impact on the EU market;
- 2. To provide for activating effective and proper checks at the harbours of arrivals in order to verify the quality and the origin of the imported rice;
- 3. To open an investigation to establish if there are the conditions for the reintroduction of normal Common Customs Tariff duties, by applying the regulation (EU) No 978/2012.

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