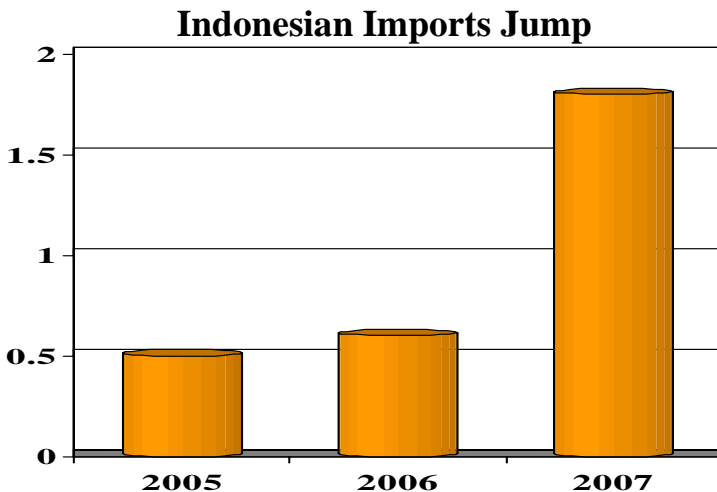
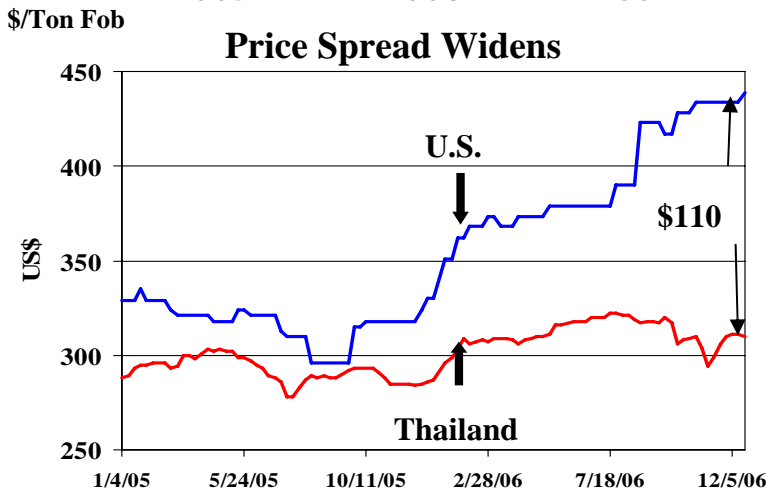
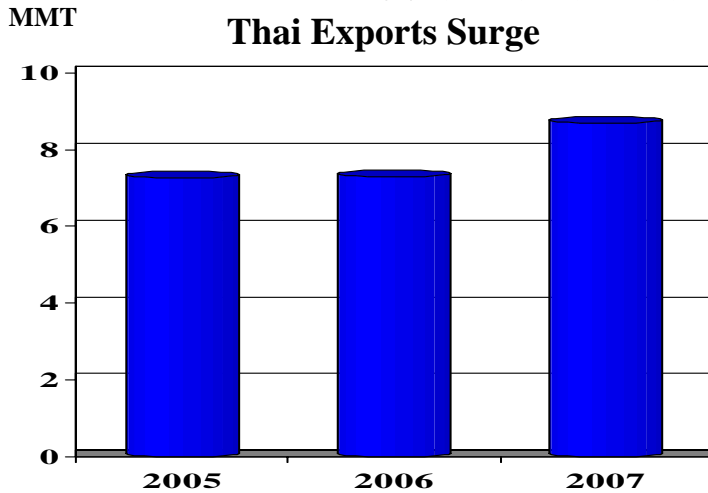




Grain: World Markets and Trade

Global Rice Trade in 2007: Thailand to Expand Lead as World's Largest Exporter



World rice supplies are expected to be tight in 2007, but despite this ample supplies in Thailand will allow it to widen its lead as the world's largest exporter. Intervention stocks are currently at high levels and the government has signaled that it intends to reduce them by selling more for export. This will allow Thai exporters to profit from strong Philippine and Indonesian demand. Exports to the EU could also increase given the need to replace U.S. rice sales which have been effectively banned. Vietnam's exports are expected to improve, despite press reports to the contrary, as a consequence of Indonesia's increased demand. U.S. exports are forecast to slightly decline due to tighter supplies and higher prices, despite strong world demand.

Global import demand will be driven by Indonesia, where imports are forecast to triple. A weak El Nino has led to dry conditions during sowing periods, impacting area rather than yield. Other factors also contributing to the falling area include seed and fertilizer problems and to pressures from land conversion to non-agricultural uses.

