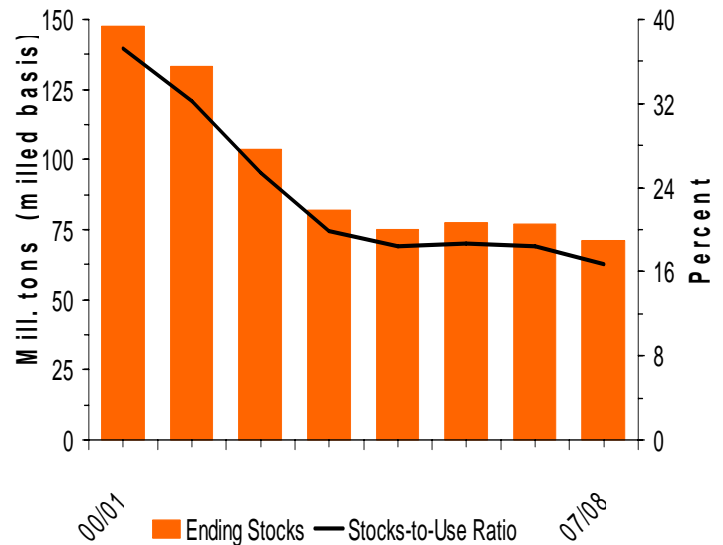
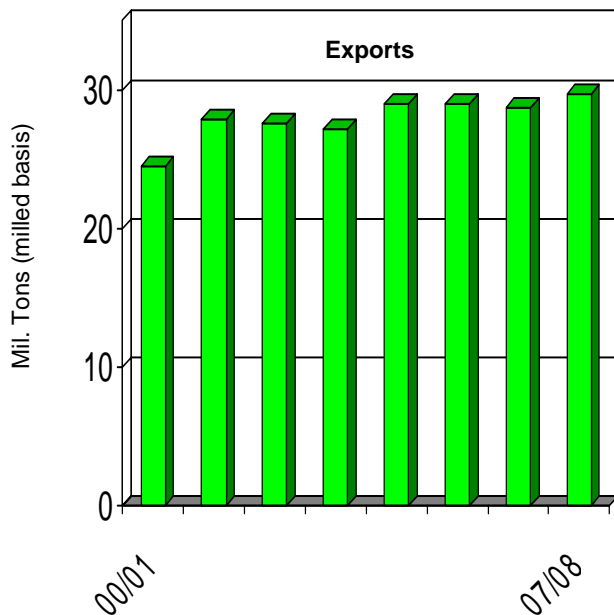


Grain: World Markets and Trade

World Rice Exports At A Record Level, Prices Continue to Increase



World rice exports are projected at a record level in 2008. Prices have continued to strengthen, especially in the past 2 months, as commodity prices in general have risen and the value of the dollar has dropped. Since September, price quotes for U.S. #2/4 have jumped \$66 per ton to \$478 per ton, the highest since March 1994. U.S. export commitments are 44 percent higher than a year earlier, mostly due to heavy forward buying by regular customers. In Thailand, the world's largest exporter, 100 B quotes are up \$8 per ton from a month ago to \$340. Global prices are also being supported by export bans imposed by Vietnam (on all rice) and India (on non-basmati and high-value rice only). Until these bans are lifted, Thailand, the United States, Pakistan, and China will be the only major suppliers of rice to global markets.

Global prices will likely remain strong throughout 2008, as global ending stocks in 2007/08 are projected to be the smallest in 25 years. Rising production costs will also continue to push rice prices higher.

