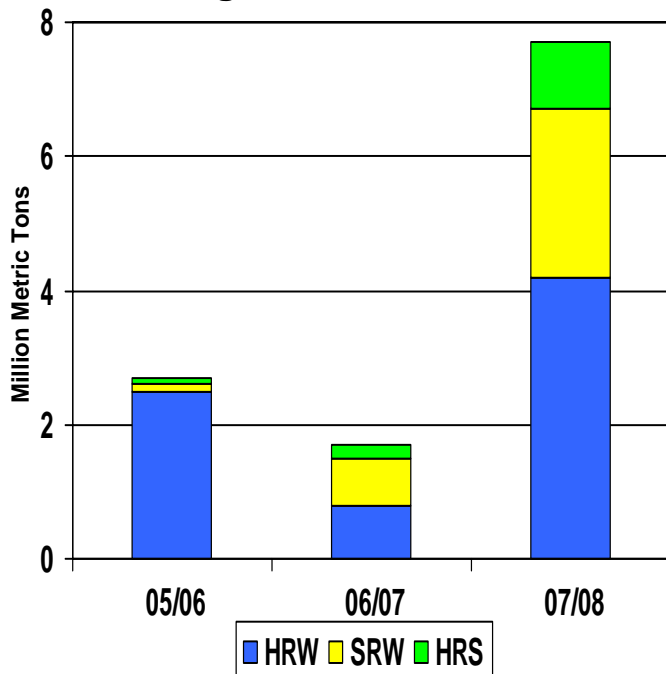


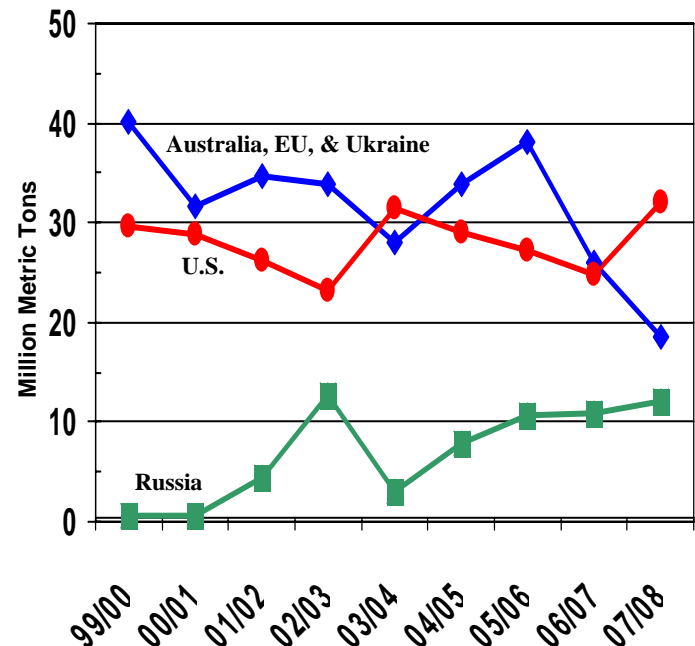
Grain: World Markets and Trade

U.S. Wheat Exports Soar to North Africa and Middle East

**U.S. Total Commitments
to North Africa and Middle East
Through the End of December**



**U.S. Exports Rise
as Competition Falters**



Sales of U.S. wheat continue at a very strong level due largely to demand in North Africa and the Middle East. The United States is competitive in these regions because other major suppliers, including Australia and the EU-27, have lower exportable supplies. As a result, buyers in these regions, such as Algeria and Egypt, are depending on wheat from the United States.

It is important to note, however, that importers purchase high and low quality wheat for blending. So far this year, Russia has been the primary supplier of low quality wheat into both regions since Ukraine, a traditional exporter, has tight exportable supplies and government imposed export restrictions. Russia recently announced a prohibitive export tax that will effectively cut off exports until it is removed.

The elevated level of 2007/08 U.S. wheat exports is unlikely to be maintained to these regions when supplies of other major competitors return to more normal levels.

