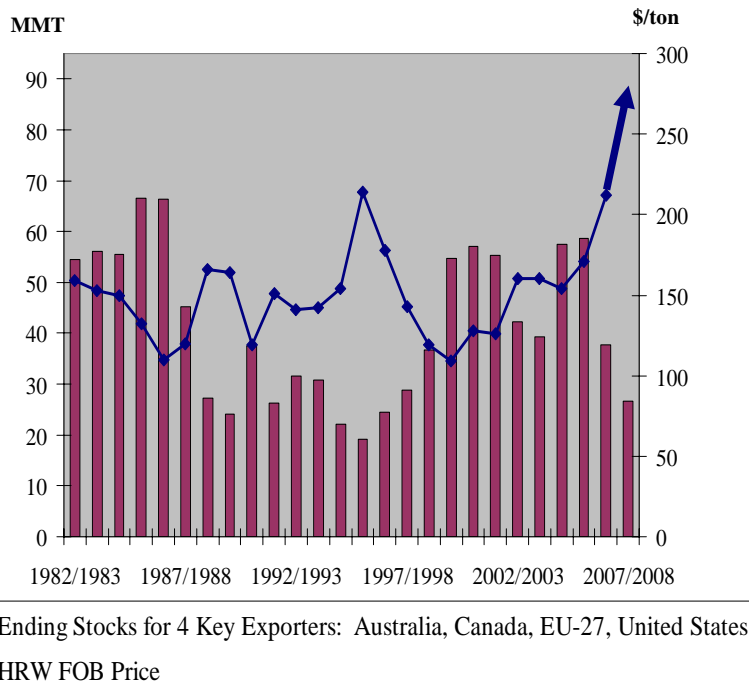


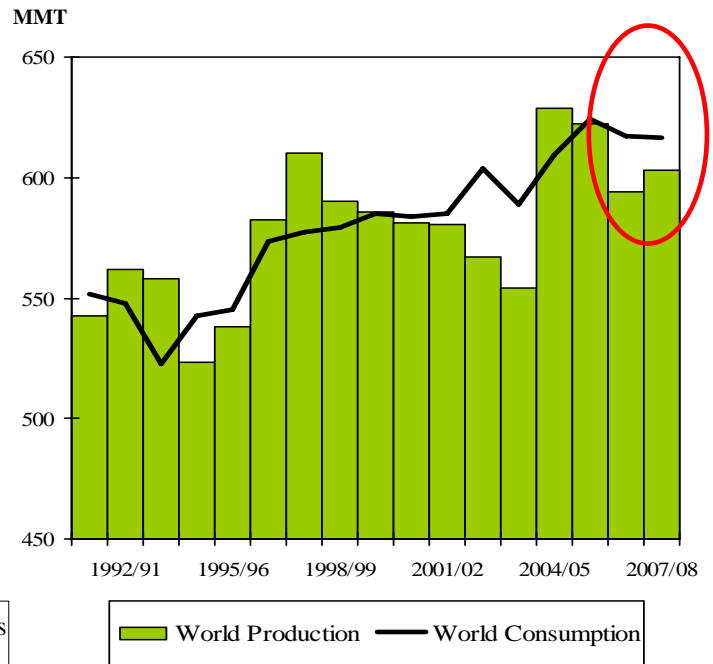
# Grain: World Markets and Trade

## Extremely Low Wheat Exporter Stocks Contribute to Historically High Prices

**Surging Prices Highly Correlated  
To Exporter Ending Stocks**



**Global Consumption Remains Strong**



Two consecutive years of low production and falling stocks among key exporting countries have significantly reduced supplies and helped drive prices to record levels. Stocks, which normally would be available to the world market, have been drawn down by over 50 percent (32 MMT) because of low global production and continued strong demand. Canada, the EU-27, and Australia started the year with large beginning stocks since they exported a substantial portion in 2006/07. Because they had low production for 2007/08, these countries were unable to rebuild stock levels since they continued to focus on export sales to key markets. Conversely, the United States had higher production in 2007, but still has had to dip into stocks in order to ship to non-traditional buyers. Major players such as Russia and Kazakhstan were also able to partially cover global demand.















































































































































