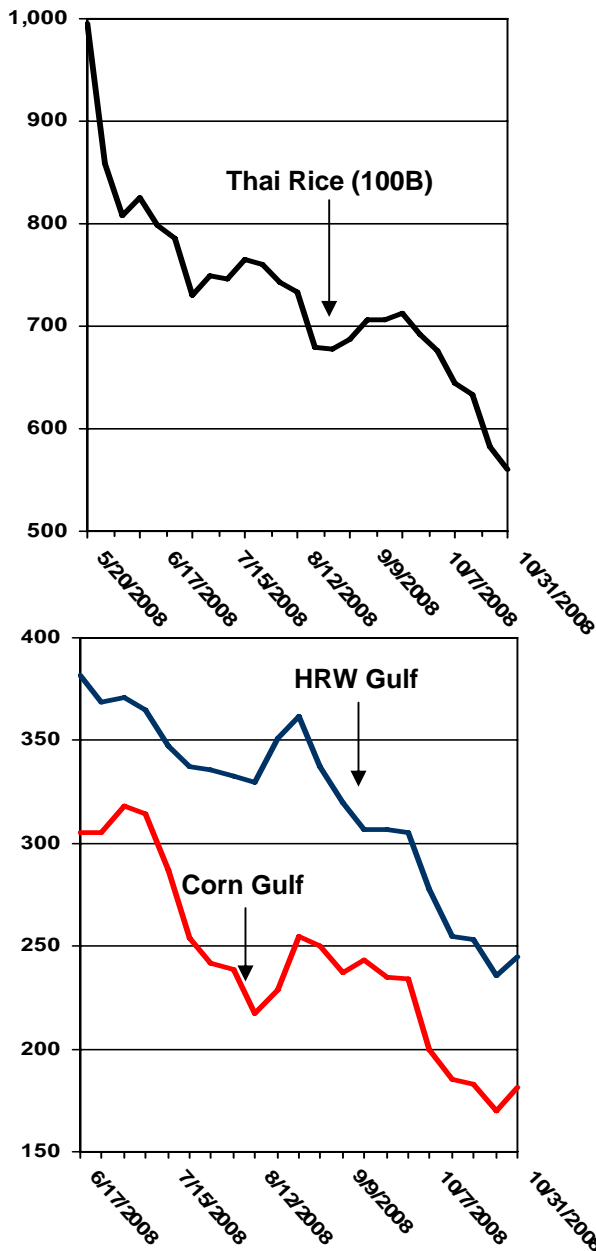




Grain: World Markets and Trade

Unprecedented Drop in Grain Prices

*\$/MT



*Average Weekly FOB Price

Financial and macroeconomic developments have combined with supply and demand fundamentals to reduce grain prices.

Global rice prices have fallen precipitously over the past six months. Thailand, which supplies about 30 percent of world trade for long grain rice, is the primary price setter. Record supplies held by Thailand and Vietnam, combined with slow foreign demand, helped global prices to crash over 40 percent (\$407/ton) since May.

Corn prices have dropped over 40 percent (\$137/ton) since peaking in June due in part to diminished demand from the EU, a larger-than-expected U.S. crop, and abundant global supplies of feed quality wheat, particularly from the EU, Russia and Ukraine.

Wheat prices, as reflected by HRW, have fallen over 50 percent (\$262/ton) since peaking in March due to near-record harvests in virtually all Northern Hemisphere exporting countries.

