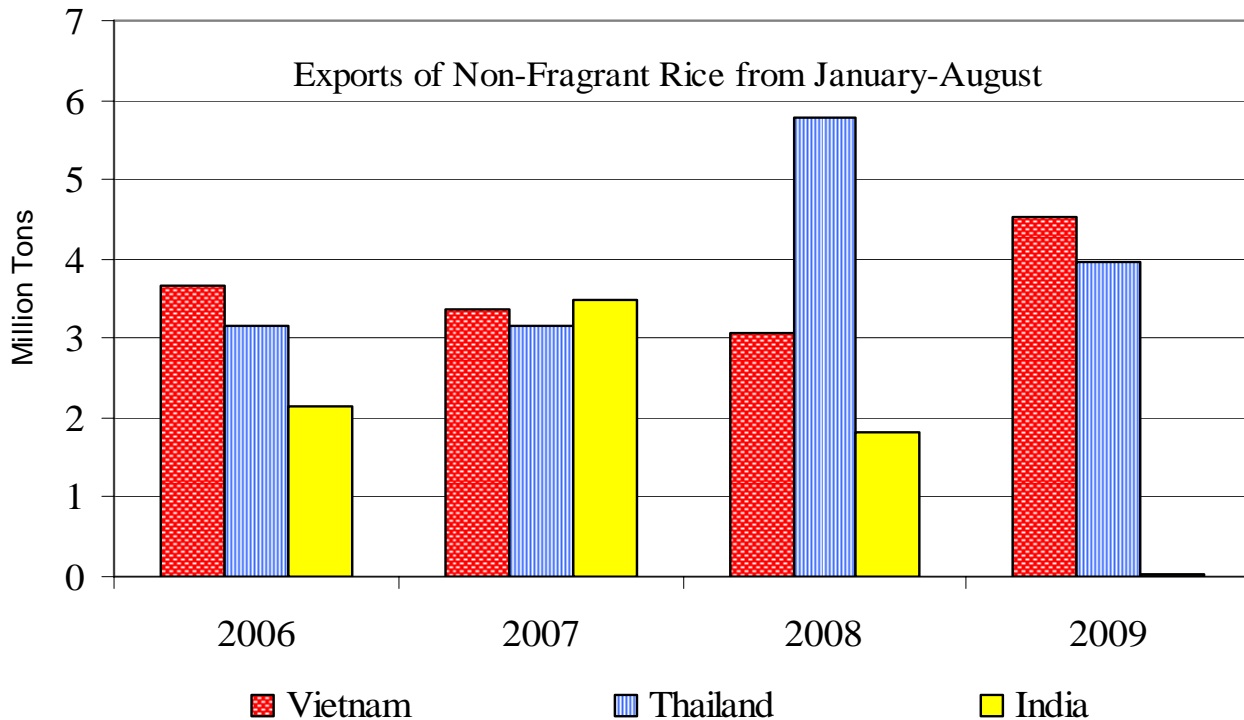




Grain: World Markets and Trade

Policies Contribute to Uncertainty in Global Rice Market



Over the past 2 years, unpredictable government policies have led to uncertainty about prices and the reliability of supply sources in the global rice market. After near-record exports last year, Thailand's massive government purchases reduced supplies available for export this year. The sporadic release of these government supplies is only increasing the uncertainty. India's non-basmati export policies changed several times in 2008 before an indefinite ban was instituted, causing exports to virtually disappear from the market in 2009. Vietnam took the opposite approach, periodically limiting exports in 2008 and then encouraging them in 2009. Add to those shifting policies Egypt's ever-changing export restrictions and the unexpectedly aggressive export programs from Burma and Cambodia, and the non-fragrant rice trade has become quite confusing. Conversely, import demand has been fairly steady. However, with changing policies in exporting countries impacting supplies and prices, importers are reportedly unsure about how to react.

