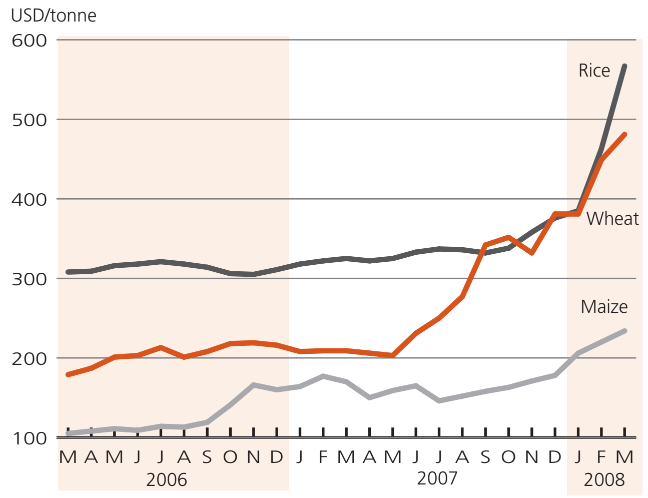
International cereal export prices

Cereal prices continue to increase

■ International prices for all major **cereals**, continued their rise in March, largely driven by persistent supply tightness and the imposition of new export restrictions.

■ International **wheat** export prices continued to increase sharply in March soaring to new record high levels (in nominal terms). The price of US wheat (No.2 Hard Red Winter, f.o.b. Gulf) averaged USD 481 per tonne during the month, up USD 100 per tonne from the start of the year and nearly 130 percent above the same period last year. Prices continue to benefit from the weak US dollar and strong import demand. In futures markets prices remain firm but volatile, reacting quickly to any news of further export restrictions, developments in energy markets and/or deteriorating prospects in financial markets.

Selected international cereal prices



■ International **coarse grains** prices also continued to gain strongly in March. The price of US maize (No. 2 Yellow, Gulf) averaged USD 234 per tonne during the month, about USD 30 per tonne up from the start of the year and some 38 percent more than March 2007. While new crop supplies from Argentina and Brazil could put some downward pressure on prices, expectation of lower plantings in the United States coupled with the generally tight market conditions for all cereals and shortage of feed wheat in particular continue to provide support.

■ International prices of **rice** rose sharply in March, continuing the steep upward trend since January 2008, which reflects growing tightness on the market after several major exporters imposed more stringent restrictions on exports, combined with strong import demand. Thailand white rice (100% second grade, f.o.b. Bangkok) averaged USD 567 per tonne in March, almost 50 percent above the price just two months earlier, and nearly 75 percent above its level of a year ago. The upward price pressure is affecting all rice qualities and origins.

Table 3. Cereal export prices* *(USD/tonne)*

	2007			2008		
	Mar.	**Nov.**	**Dec.**	**Jan.**	**Feb.**	**Mar.**
United States						
Wheat [1]	209	332	381	381	449	481
Maize [2]	170	171	178	206	220	234
Sorghum [2]	171	171	192	225	222	233
Argentina [3]						
Wheat	187	290	310	330	365	395
Maize	160	179	171	199	206	216
Thailand [4]						
Rice white [5]	325	358	376	385	463	567
Rice, broken [6]	263	318	342	365	431	522

*Prices refer to the monthly average.
[1] No.2 Hard Red Winter (Ordinary Protein) f.o.b. Gulf.
[2] No.2 Yellow, Gulf
[3] Up river, f.o.b.
[4] Indicative traded prices.
[5] 100% second grade, f.o.b. Bangkok.
[6] A1 super, f.o.b. Bangkok.