



International cereal export prices

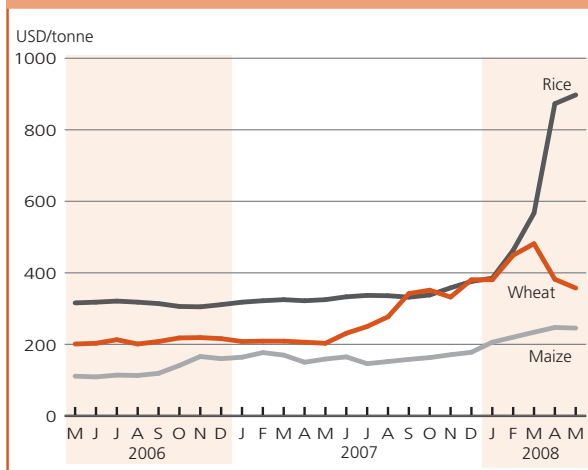
Rice prices continue to climb in early May but wheat eases further

■ International prices of **rice** continued to rise in early May, albeit at a slightly slower pace than that witnessed since the beginning of 2008. The price of Thai white rice (100% second grade, f.o.b. Bangkok) averaged USD 897 per tonne in the first two weeks of May, USD 24 up from April and almost three times the level of a year ago. This strength contrasts sharply with market fundamentals indicating a record global production in 2007 and even more optimistic prospects for 2008. A flurry of export restrictions by large exporting countries are largely behind the steep increases in prices. Although the arrival of good secondary crops in some Asian countries and a bumper harvest in Brazil could ease somewhat the current market tightness, the bulk of the 2008 rice crop will only be harvested towards the end of the year.

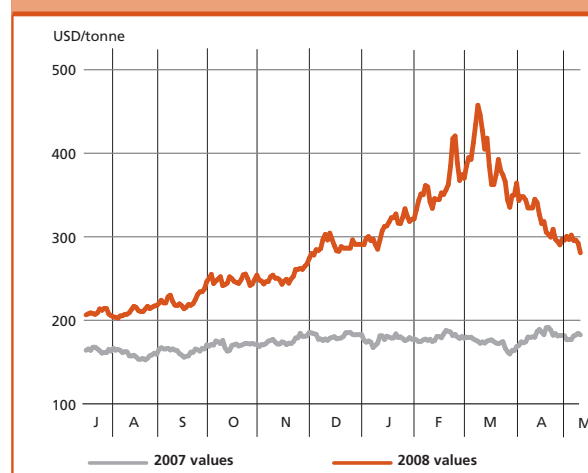
■ Continuing favourable weather conditions for the main **wheat** crops around the globe, and firmer indications of more plentiful supplies in the new season have driven international wheat export prices down sharply in recent weeks. After reaching record highs (in nominal terms) in March, international wheat prices began to slide in April and continued decreasing in early May. In the first two weeks of May, the price of US wheat (No.2 Hard Red Winter, f.o.b. Gulf) averaged US\$357 per tonne, 25 percent down from March but still 76 percent above the May average last year. In futures markets, prices have also decreased sharply in recent weeks.

■ International **maize** prices remain at record high levels. The price of US maize (No. 2 Yellow, Gulf) averaged USD 246 per tonne in the first two weeks of May, virtually unchanged from the April average. At this level, US maize prices are 55 percent more than the same period last year. Tightness in global supplies, coupled with an expected area reduction and weather related planting delays in the United States, the world's biggest producer, continue to provide support.

Selected international cereal prices



CBOT wheat futures for July



Selected international cereal export prices* (USD per tonne)

	2007	2008				
	May	Jan.	Feb.	Mar.	Apr.	May
United States						
Wheat ¹	203	381	449	481	389	357
Maize ²	159	206	220	234	248	246
Sorghum ²	155	225	222	233	243	243
Argentina³						
Wheat	219	330	365	395	-	-
Maize	147	199	206	216	228	203
Thailand⁴						
Rice white ⁵	325	385	483	567	848	897
Rice, broken ⁶	252	365	431	522	720	764

*Prices refer to the monthly average (for May 2008 the average of the first 2 weeks is used).

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.

CBOT maize futures for July

