



International cereal prices

International cereal prices remain volatile with wheat and rice weakening overall in past month

■ **Wheat** prices fell further in September, continuing the decline which started after their peak in March this year, when prospects of record world production in 2008 and large exportable supplies began to put pressure on markets. Subsequently, seasonal harvest pressure in the northern hemisphere countries, falling crude oil prices and financial turmoil in world economies have also contributed to the further decline in wheat prices. The US wheat (No.2 Hard Red Winter, f.o.b. Gulf) averaged USD 312 in September, 9 percent below August and 35 percent below its peak in March. In the futures market, wheat prices continued to decline at the start of the month, falling to a 13-month low, but regained a little towards the end of the month.

■ Average **maize** prices during September, remained close to the previous month. Markets remain largely influenced by favourable global crop prospects and anticipation of huge supplies of feed wheat that could compensate for any eventual deterioration in the level of maize export supplies, but became more volatile in recent weeks, mirroring movements in crude oil prices and turbulent developments in the financial sector. The US maize (No. 2 Yellow, Gulf) averaged USD 234 per tonne during the month, close to the August level, and 17 percent below June, when prices peaked, but still 46 percent above the September average last year. The CBOT maize futures fell during the month, with quotations for December falling to about 30 percent below the record USD 310 per tonne in late June.

■ Ample supplies of **rice** from the 2007 secondary seasons, together with expectations of record 2008 crops in the northern hemisphere, are keeping downward pressure on rice export prices. The price of the benchmark Thai white rice 100% B fell averaged USD 796 per tonne in September, about 2 percent down from August, but still more than double their level in September 2007.

Selected international cereal prices* (USD per tonne)

	2007 Sept.	May	June	2008 July	Aug	Sept.
United States						
Wheat ¹	342	349	358	341	343	312
Maize ²	158	242	281	267	232	234
Sorghum ²	177	240	268	232	209	213
Argentina³						
Wheat	325	-	-	-	-	-
Maize	170	207	258	252	217	208
Thailand⁴						
Rice white ⁵	333	963	870	835	787	769
Rice, broken ⁶	279	772	645	583	525	498

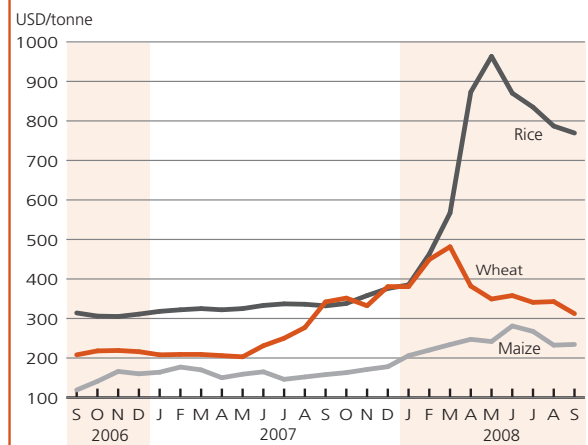
*Prices refer to the monthly average. For September 2008, four weeks average.

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.

Selected international cereal prices



Note: Prices refer to monthly average. For September 2008, four weeks average.

CBOT wheat futures for December



CBOT maize futures for December

