International cereal prices

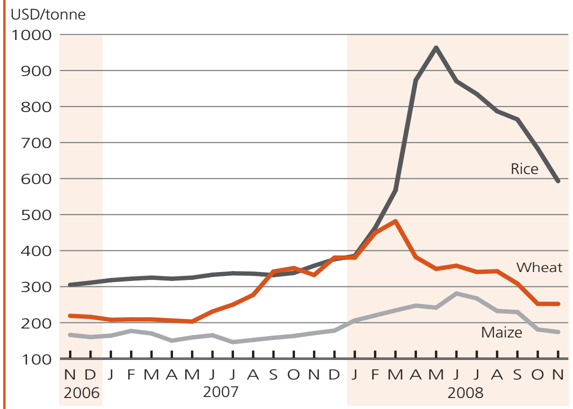
International cereal prices continue to decline

After a short-lived revival in the first week of the month, international **wheat** prices were on the decline again this week. On top of the prospect of a record world production in 2008 and large exportable supplies, particularly in the Black Sea region, the firmer US dollar, falling crude oil prices and world financial crisis are also behind the downward price pressure. The US wheat (No.2 Hard Red Winter, f.o.b. Gulf) averaged USD 252 per tonne in the first two weeks of the month, unchanged from the October average, but 24 percent down from the November average last year. **The CBOT March futures increased slightly in the past week but were 30 percent lower than in the same period last year.**

International **maize** prices have generally been on the decline since June, when favourable global crop prospects and indications of a likely abundance of feed wheat in world markets started to pressure markets downward. As for wheat, prices increased in the first week of the month but declined in the second week influenced also by a stronger US dollar, falling crude oil prices and fears over the implications of a global recession, such as significantly lower feed demand. The US maize (No. 2 Yellow, Gulf) averaged USD 174 per tonne in the first two weeks of November, 4 percent below the October average and just slightly above the November average last year. **The CBOT March futures have fallen since the beginning of the month and last week were marginally below their levels in the same period last year.**

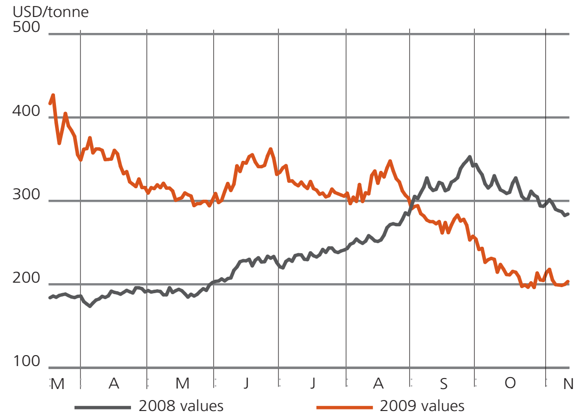
Expectations of record 2008 paddy crops in the northern hemisphere, are keeping downward pressure on **rice** export prices. The price of the benchmark Thai white rice 100% B averaged USD 593 per tonne in the first two weeks of November, about 13 percent down from the October average, although still well above (66 percent) the price at the same time last year. Import demand remains depressed under expectations of further weakening of prices, especially as importers will try to sell first the expensive rice stocks they are holding.

Selected international cereal prices

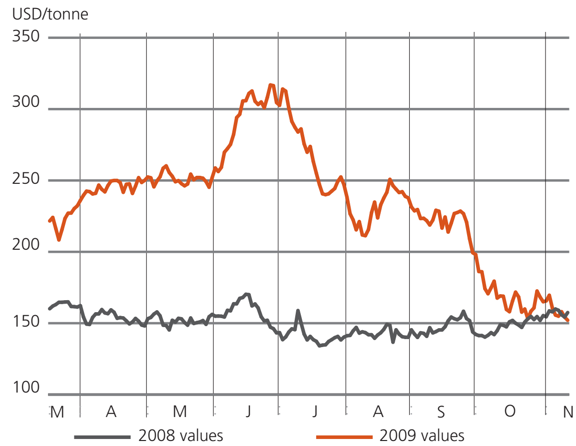


Note: Prices refer to monthly average. For November 2008, two weeks average.

CBOT wheat futures for March



CBOT maize futures for March



Selected international cereal prices* (USD per tonne)

	2007 Nov.	2008 July	Aug.	Sept.	Oct.	Nov.
United States						
Wheat[1]	332	341	343	308	252	252
Maize[2]	171	267	232	229	181	174
Sorghum[2]	171	232	209	208	158	151
Argentina[3]						
Wheat	289	329	307	280	235	197
Maize	179	252	217	203	169	161
Thailand[4]						
Rice white[5]	358	835	787	764	683	593
Rice, broken[6]	318	583	525	487	385	321

*Prices refer to the monthly average. For November 2008, two 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.