



International cereal prices

International cereal prices continue to decline

■ After a short-lived revival in the first week of the month, international **wheat** prices have since been on the decline again. 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, further weakening of 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 249 per tonne in the first three weeks of the month, USD 3 per tonne below the October average and 25 percent down from the November average last year. **The CBOT March futures decreased in the past week, falling to USD 188 per tonne, 33 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 have since declined again influenced also by a stronger US dollar, further drops in 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 170 per tonne in the first three weeks of November, 6 percent below the October average and one dollar below the November average last year. The CBOT March futures have fallen by 4 percent in the past week. While they are now close to the level last year at the same time, they now stand 53 percent below the peak in June.

■ 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 three 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. However, Thai government sales of rice from public stocks have not been allowed to fall below a minimum price level. India also appears to be reluctant to allow free private rice exports for fear of seeing world prices tumbling.

Selected international cereal prices* (USD per tonne)

	2007 Nov.	July	Aug.	2008 Sept.	Oct.	Nov.
United States						
Wheat ¹	332	341	343	308	252	249
Maize ²	171	267	232	229	181	170
Sorghum ²	171	232	209	208	158	150
Argentina³						
Wheat	289	329	307	280	235	193
Maize	179	252	217	203	169	160
Thailand⁴						
Rice white ⁵	358	835	787	764	683	593
Rice, broken ⁶	318	583	525	487	385	321

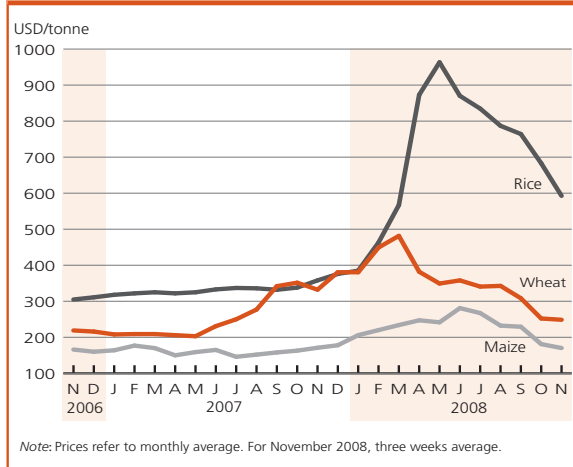
*Prices refer to the monthly average. For November 2008, three weeks average.

¹ No.2 Hard Red Winter (Ordinary Protein) f.o.b. Gulf.

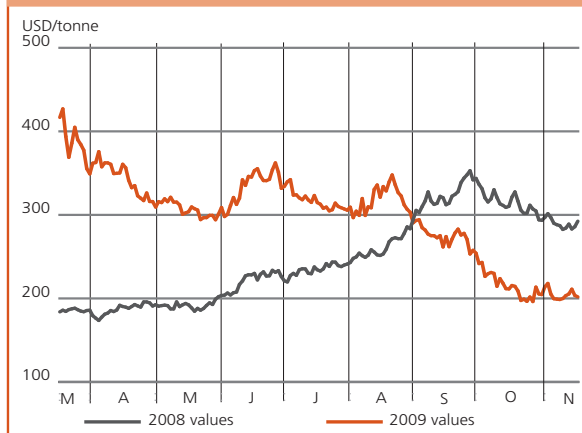
² No.2 Yellow, Gulf. ³ Up river, f.o.b. ⁴ Indicative traded prices.

⁵ 100% second grade, f.o.b. Bangkok. ⁶ A1 super, f.o.b. Bangkok.

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CBOT wheat futures for March



CBOT maize futures for March

