International cereal prices

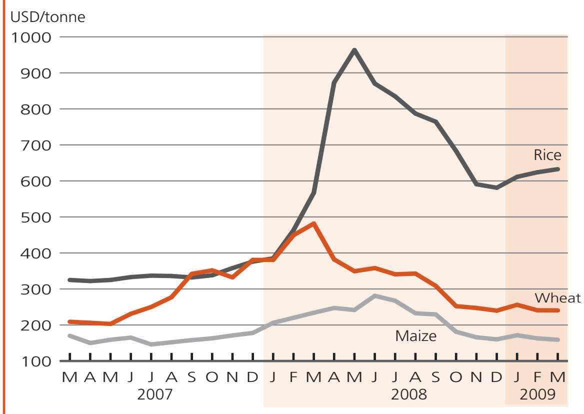
International cereal prices remain volatile

■ International **wheat** prices, after having declined in February, fluctuated backwards and upwards during the first half of March. Market was supported by continuous concern about the impact of prolonged dryness in main growing areas of the United States on wheat yields. However, this was offset by a recent USDA report increasing its estimates for world ending stocks in the current 2008/09 marketing season, as well as by improved growing conditions for the 2009 wheat crop in China. By the second week of the month the US wheat (No.2 Hard Red Winter, f.o.b. Gulf) averaged USD 241 per tonne, unchanged from its February average but half its level of a year earlier.

■ International **maize** prices that had fallen in February showed marked fluctuations in the first half of March. Larger than expected planting forecasts from the USDA, announced in early March, put pressure on prices but subsequent USDA upward revision of ethanol production and domestic maize utilization in the United States limited the decline in prices. The US maize (No. 2 Yellow, Gulf) averaged USD 159 per tonne by the second week of March, 2 percent lower than the average of the previous month and about one-third below its level in March 2008.

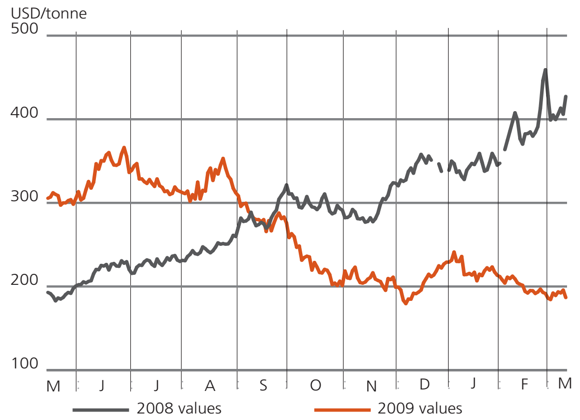
■ Contrary to wheat and maize, international **rice** prices have been increasing since the beginning of the year and they continued to increase slightly in the first two weeks of March. The price of the benchmark Thai white rice 100% B averaged USD 633 per tonne by the second week of March, USD 9 per tonne up from the previous month and 9 percent above its level of March last year. The strengthening of rice prices is in spite of improved supply situation following larger 2008 crops in Asia and slow demand for both Thai and US exports. It probably reflects government policy measures like the launching of a new round of government purchases in Thailand, temporary suspension of new contracts in Viet Nam, maintenance of partial export ban in India and of export restrictions in Egypt.

Selected international cereal prices



Note: Prices refer to monthly average. For March 2009, two weeks average

CBOT wheat futures for May



Selected international cereal prices* (USD per tonne)

	2008			2009		
	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.
United States						
Wheat[1]	481	247	240	256	241	241
Maize[2]	234	166	160	172	163	159
Sorghum[2]	233	146	151	148	145	149
Argentina[3]						
Wheat	395	189	177	213	219	215
Maize	216	156	152	160	158	159
Thailand[4]						
Rice white[5]	567	591	582	611	624	633
Rice, broken[6]	521	320	310	332	333	340

*Prices refer to the monthly average. For March 2009, 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.

CBOT maize futures for May