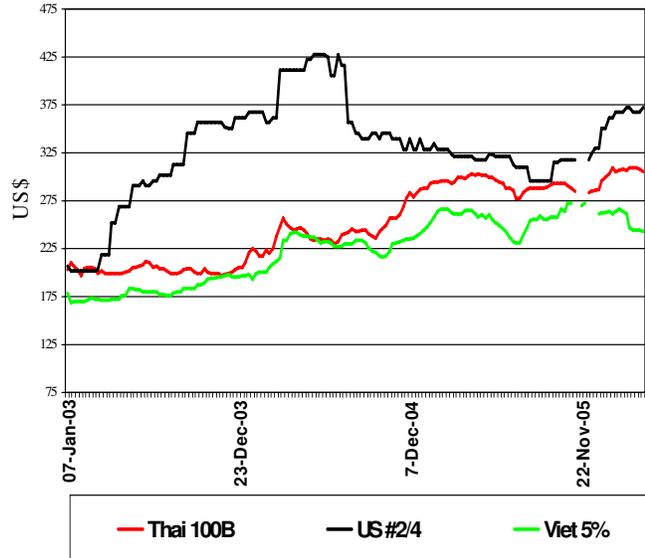

RICE: WORLD MARKETS AND TRADE

PRICES:

International: Asian prices are slightly weaker this month. Thai prices dropped \$3 from last month to \$306 per ton, FOB, mainly due to currency fluctuations. Despite government efforts to bolster sagging export prices, Viet prices dropped \$4 to \$243 per ton, FOB.

Domestic: U.S. long grain prices strengthened \$5, with #2/4 currently quoted at \$373 per ton, FOB. This brings the price spread between Thai and U.S. rice to \$67 per ton. Meanwhile, U.S. medium grain prices have slipped \$40 to \$475 per ton, FOB, as most of the business to East Asia has been completed.

Nominal Price Quotes - 2002 to Present



TRADE CHANGES IN 2006

Selected Exporters

- **Cambodia** is raised 250,000 tons to 350,000 based on a sharp increase in production after the 04/05 crop was affected by dry weather and the expectation of increased border trade with Vietnam and Thailand.
- **India** is raised 300,000 tons to 3.8 million on a jump in production and a price advantage in key parboiled markets in Africa.
- **Thailand** is raised 300,000 to 7.3 million due to improved exports to high quality markets such as Iran and Iraq.

Selected Importers

- **Indonesia** is reduced 300,000 tons to 700,000 based on a slightly stronger production outlook and the expectation that the level of stocks will curtail import demand.
- **Iran** is increased 150,000 tons to 1.1 million as stock building continues in light of regional insecurity.

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- **Vietnam** is raised 200,000 tons to 300,000 on the expectation of increased border trade from Cambodia.

TRADE CHANGES IN 2005

Selected Exporters

- **Cambodia** is raised 100,000 tons to 200,000 based on reports of increased border trade in paddy rice with Vietnam.
- Trade estimates are finalized based on year end data for the **EU-25**, **Egypt**, and the **United States**.

Selected Importers

- **Cambodia** is raised 225,000 tons to 350,000 due to a drop in production and increased imports of paddy rice from Vietnam and high quality milled rice from Thailand at certain times of the year.
- Trade estimates are finalized based on year end data for the **EU-25**, **Jordan**, **Libya**, and **Syria**.
- **Turkey** trade is finalized on revised U.S. trade data.