

Rice Graphics and Commentary

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By

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USDA in their January estimate has the current marketing period U.S. all rice season-average farm price estimated at \$4.43 per bushel or \$9.85 per cwt. This is the highest season-average farm price since 1996's marketing period price of \$4.48 per bushel or \$9.96 per cwt. and compares to the 2005/06 period's \$3.42 per bushel or \$7.62 per cwt.

USDA estimates the current marketing period U.S. long grain total use at 191.9 million cwt., which is the third largest on record. U.S. long grain exports are estimated at 80 million cwt, which comes in as the sixth largest on record and ending stocks for the current marketing period are projected to be 22.1 million cwt, which if achieved would be the fifth largest since 1987.

That said, at least to this point, the U.S. long grain rice market has continued to show price strength. The strong global demand for oil has generated prices sufficient to encourage a renewed interest in alternative energy sources such as ethanol and bio-diesel. This is one factor and is key in the strong corn prices and the potentially higher soybean prices. Wheat prices have enjoyed their own price strength. U.S. long grain rice prices have enjoyed price strength due to continued strong global demand for commodities as a group and the continued search by global investors for undervalued or simply speculative investment opportunities.

On the global front USDA lowered their global rice production, consumption, and ending 2006/07 rice stocks slightly and raised exports and imports. Global rice production was lowered primarily due to smaller crop projection for Indonesia. Global exports have been raised 0.8 million tons due to increases for Pakistan, Thailand, and Vietnam, while global ending stocks at 77.7 million tons are the lowest stocks since the 1983 marketing period.

Bottom Line: To date strong global growth has generated large sums of capital for global investors. These investors especially the large ones are continually in search of undervalued investment opportunities. U.S. wheat, corn, rice, and soybean prices have been beneficiaries of this economic setting.

Thai rice prices in milled metric tons are as follows:

2000/01	\$184 milled metric ton
2001/02	\$192
2002/03	\$199
2003/04	\$220
2004/05	\$278
August 2005	\$288
September 2005	\$291
October 2005	\$292
November 2005	\$283
December 2005	\$286
January 2006	\$299
February 2006	\$307
March 2006	\$309
April 2006	\$308
May 2006	\$314
June 2006	\$319
July 2006	\$321
August 2006	\$319
September 2006	\$318
October 2006	\$307
November 2006	\$302

December 2006	\$311
January 2007	\$320

Vietnam rice prices in milled metric tons are as follows:

2000/01	\$165 milled metric ton
2001/02	\$185
2002/03	\$182
2003/04	\$210
2004/05	\$243
August 2005	\$255
September 2005	\$255
October 2005	\$264
November 2005	NQ
December 2005	NQ
January 2006	\$263
February 2006	\$262
March 2006	\$251
April 2006	\$241
May 2006	\$257
June 2006	\$262
July 2006	\$262
August 2006	\$267
September 2006	\$270
October 2006	\$274
November 2006	\$295
December 2006	NQ
January 2007	NQ

Southern Long Grain rice prices in milled metric tons are as follows:

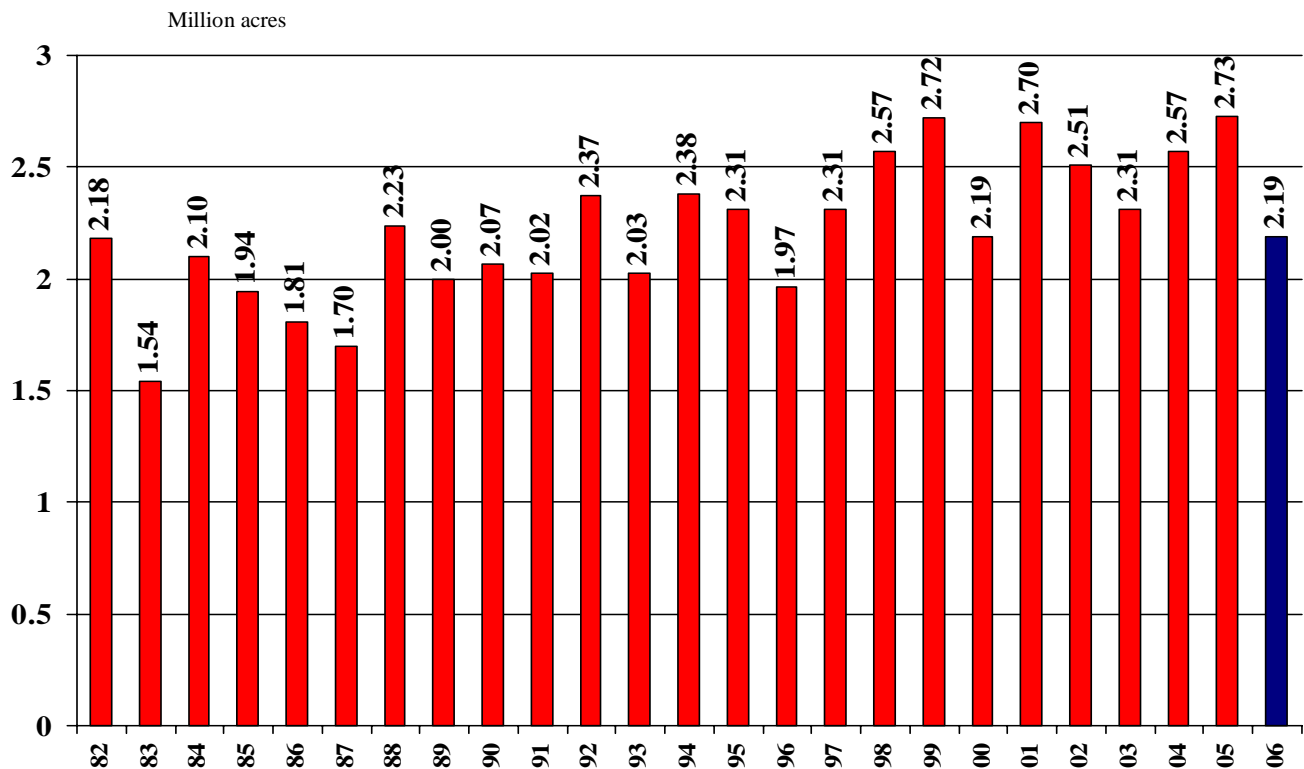
2000/01	\$290 milled metric ton
2001/02	\$222
2002/03	\$238
2003/04	\$375
2004/05	\$327
August 2005	\$293
September 2005	\$307
October 2005	\$318
November 2005	\$323
December 2005	\$335
January 2006	\$358
February 2006	\$369
March 2006	\$368
April 2006	\$373
May 2006	\$379
June 2006	\$379
July 2006	\$386
August 2006	\$410
September 2006	\$421
October 2006	\$433
November 2006	\$434
December 2006	\$438
January 2007	\$437

Southern Long Grain rough rice prices in metric tons are as follows:

2000/01	\$157
2001/02	\$107
2002/03	\$123
2003/04	\$206
2004/05	\$176
August 2005	\$157

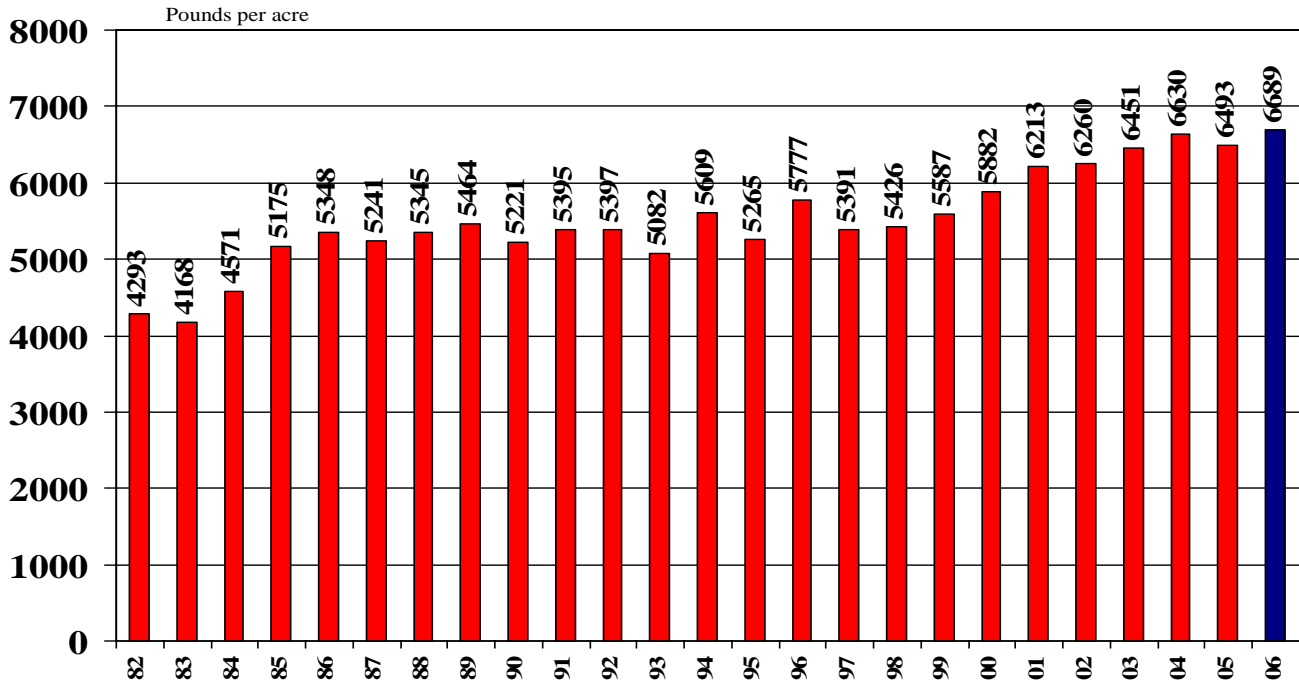
September 2005	\$165
October 2005	\$176
November 2005	\$183
December 2005	\$188
January 2006	\$201
February 2006	\$205
March 2006	\$205
April 2006	\$205
May 2006	\$202
June 2006	\$202
July 2006	\$213
August 2006	\$220
September 2006	\$227
October 2006	\$242
November 2006	\$245
December 2006	\$245
January 2007	\$245

U.S. Long Grain Rice Harvested Acres 1982/83 – 2006/07



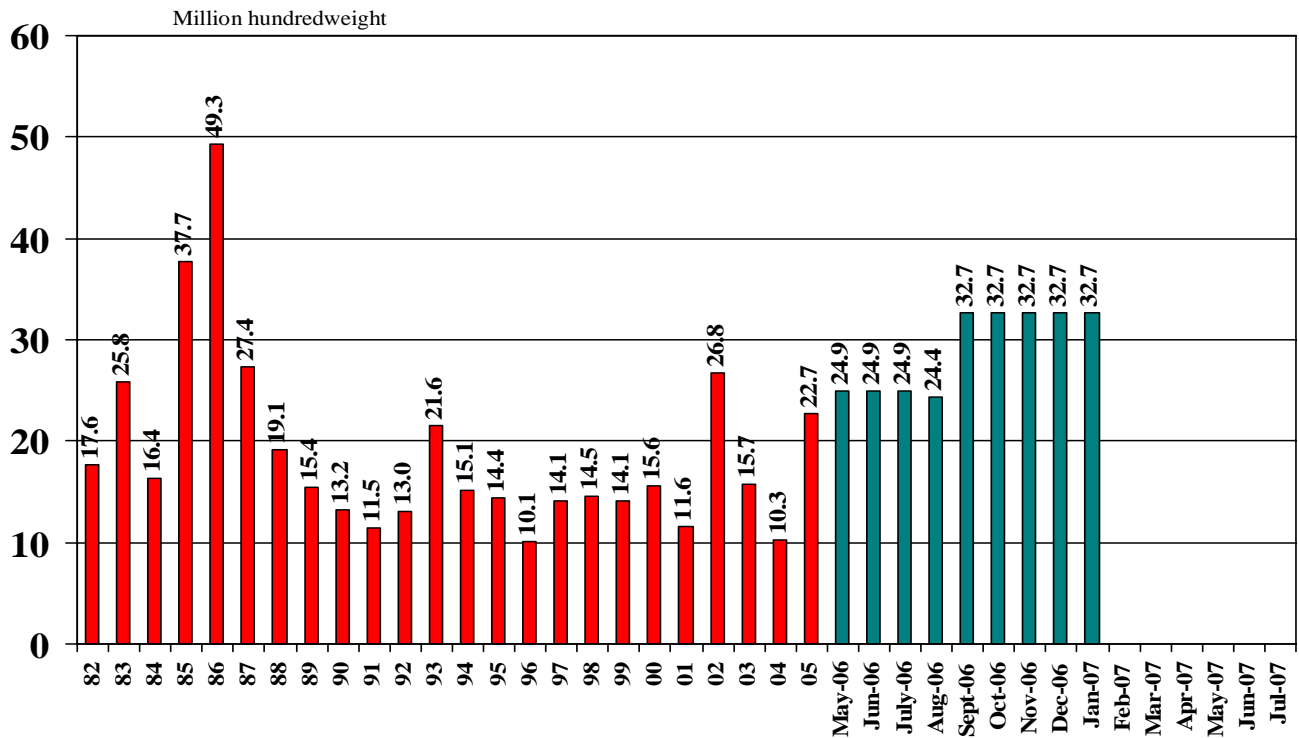
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Yield 1982/03 – 2006/07



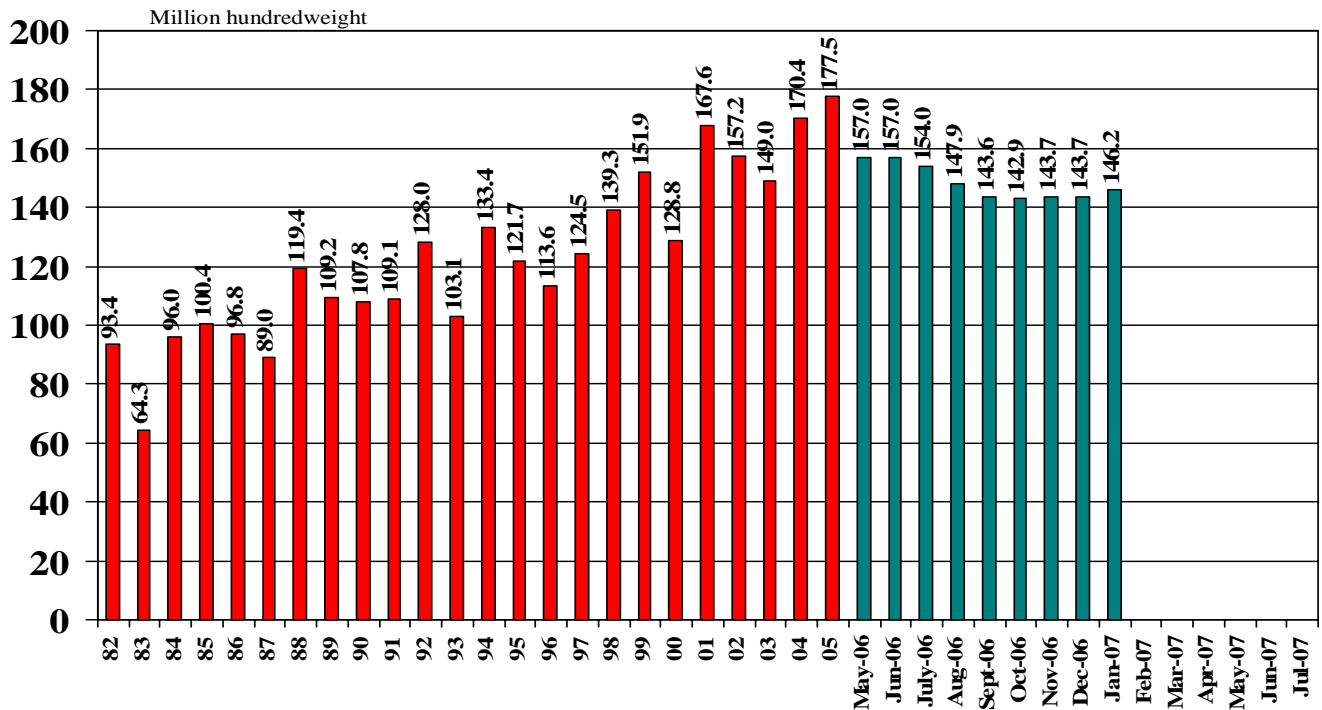
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Beginning Stocks 1982/83 – 2006/07



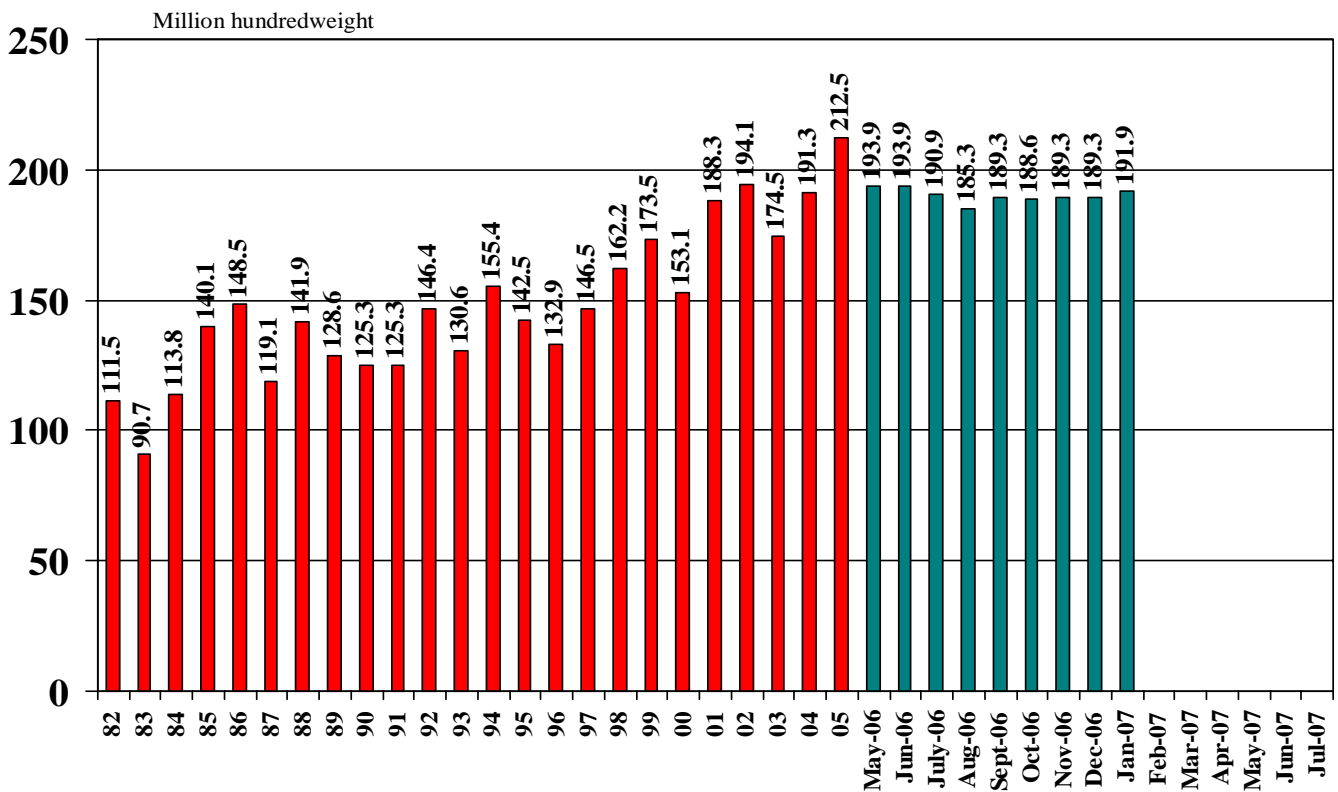
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Production 1982/83 – 2006/07



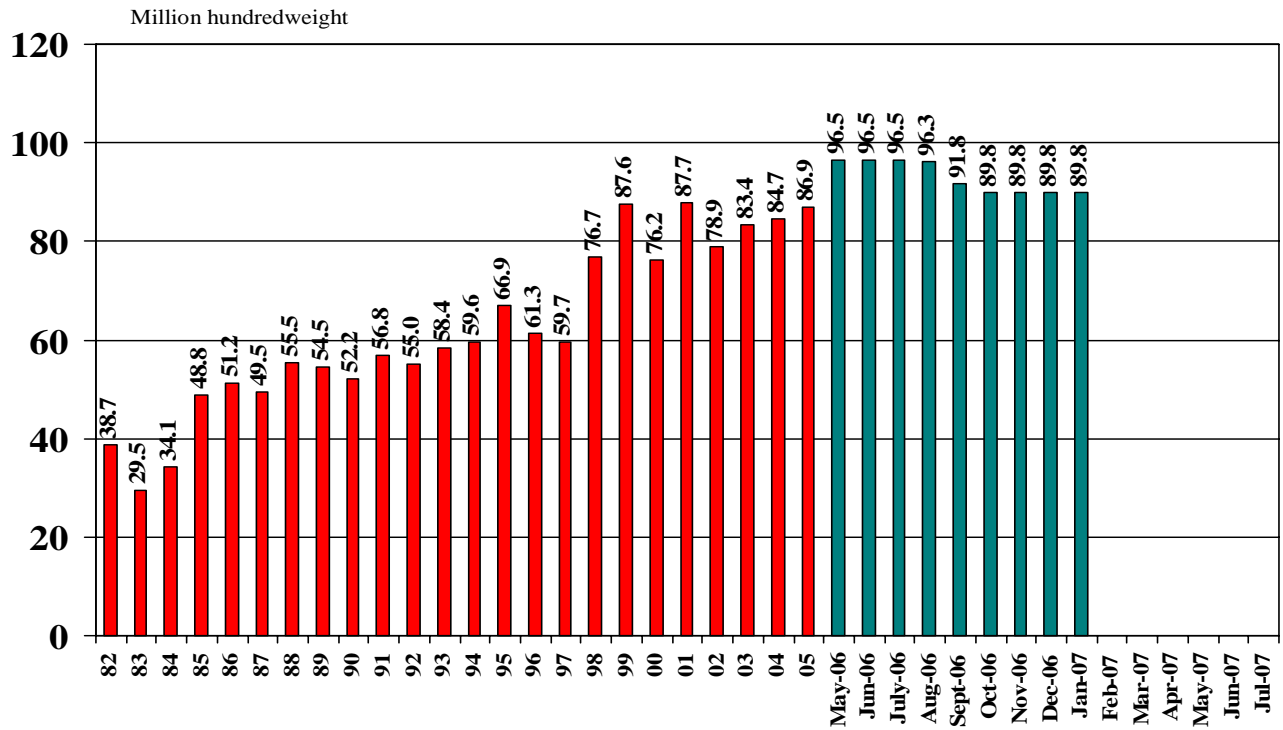
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Total Supply 1982/83 – 2006/07



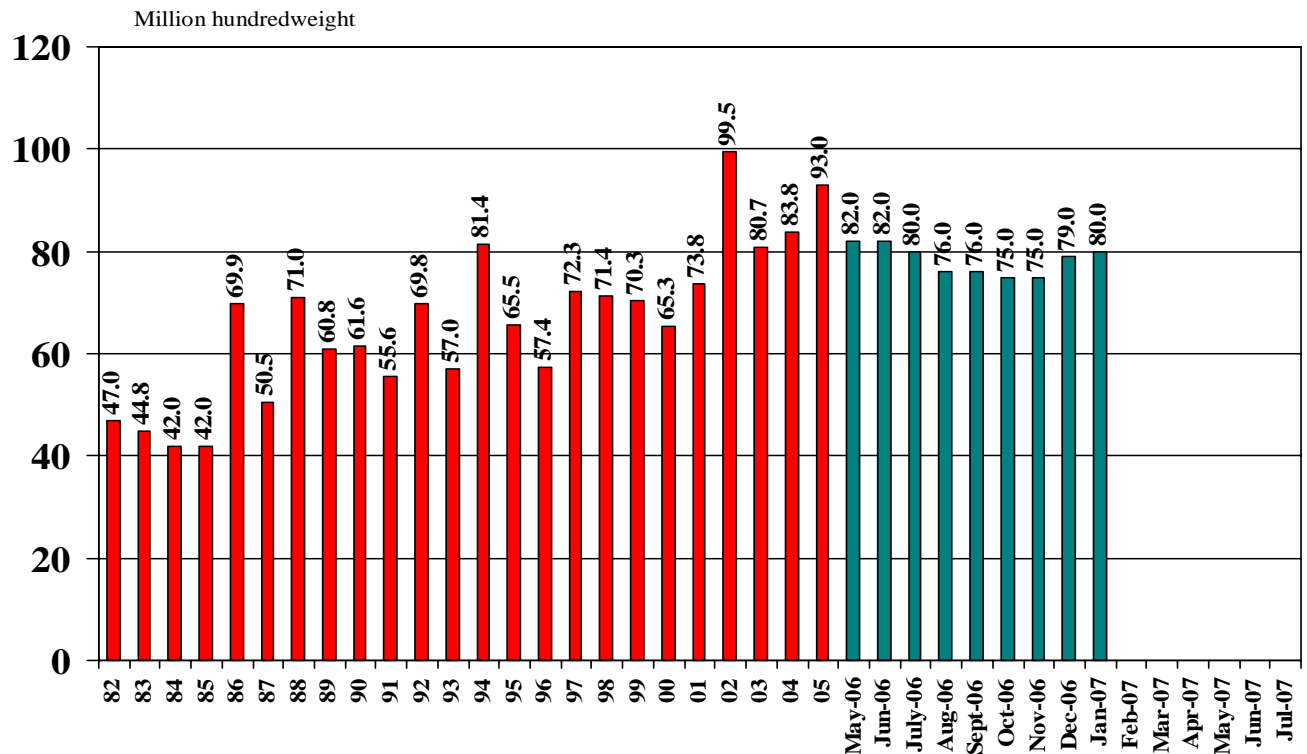
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Domestic & Residual 1982/83 – 2006/07



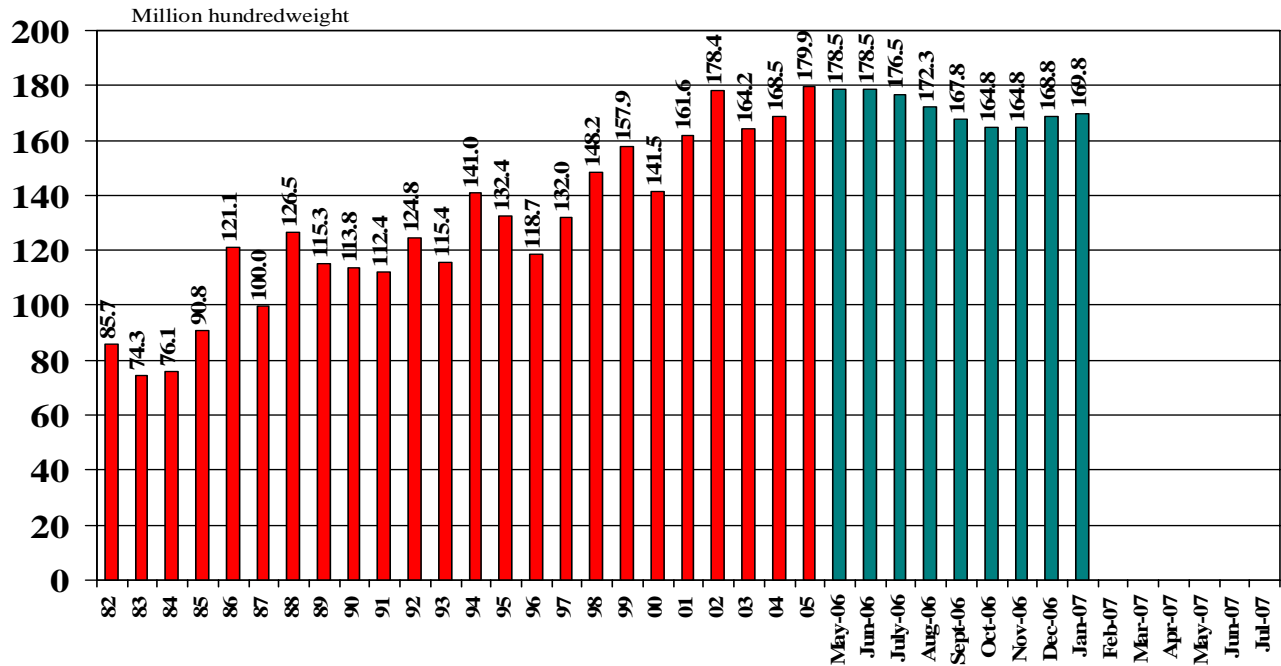
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Total Exports 1982/83 – 2006/07



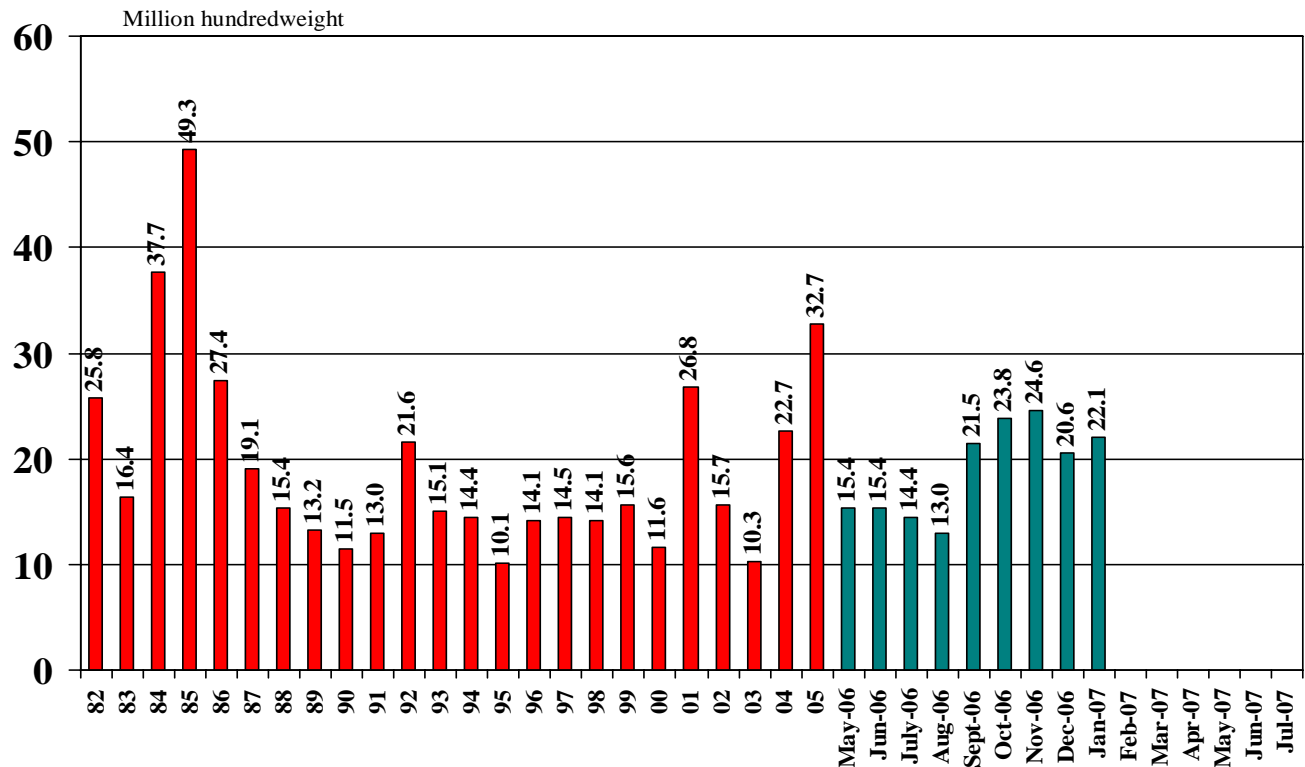
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Total Use 1982/83 – 2006/07



Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Ending Stocks 1982/83 – 2006/07



Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)