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Rice Market Report- November 22, 2007

The US long grain rice market is on fire!!! The market has gone crazy!!! There is no other way to describe it. Prices are increasing daily and no one knows where we will end up... We have not seen the end of price increases.

Since our last report on November 9th, US long grain rice prices have gone up by US\$ 2.00 per 100 lbs for nearby shipments in November/December 2007. Current price indication for shipments in January 2008 is US\$ 1.00/cwt higher than spot prices. Price indications for shipments February onwards is even higher. ***We think that prices will go higher.***

CBOT rough rice future prices for all months have hit new market highs... AGAIN. Yesterday's closing numbers were US\$ 13.07/cwt for January, US\$ 13.38/cwt for March and US\$ 13.64/cwt for May and US\$ 13.74/cwt for July. These numbers are indicating that potentially we will see another US\$ 2.00 per 100 lb increase on milled rice prices. The futures market is extremely firm. Attached is the CBOT January futures chart for your review.

This week, USDA's raised its trend setting world market price again. This confirms our statements of tight supplies and strong prices around the world.

The demand for US long grain and parboiled rice is very good. Mills are very busy with domestic and export orders. Some mills are not able to keep up with the demand.

In the international markets, Thailand is still the only source selling rice in Asia. Thai prices are going up daily. Vietnam and India are still out of the market.

Our view on the California Calrose market is starting to change. We are turning more bullish. We see the market firming up. Export quotes are higher compared to domestic prices. There are a lot of inquiries from international sources for California Calrose rice. This is an indication that the international supply of medium grain rice is tightening further. We feel that price increases for Calrose rice is around the corner. There are no reasons for the market prices to go down. Expect price increases!

In conclusion, rice markets are extremely firm and will remain firm until new crop in September 2008.

Please feel free to contact us should you have any questions or requests.

Ali Bilgen