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### **Special Wild Rice Market Update- August 14, 2008**

Finally, the good news we have been waiting for 3 years have arrived. *After consecutive disastrous years and major shortages, it appears that the US and Canadian wild rice crops are doing well.*

With that optimism, we have to be cognizant of the fact that the crop is not fully harvested and new crop deliveries of green rice are very slow. We still have to be cautious and cross our fingers until the entire crop is in the bin. So far, we have had good planting and growing conditions in North America. Now, all we need is good harvest conditions and we are OK.

The overall condition of the crops is good. Plantings are adequate. Both California and Minnesota have increased the planted acres. Canada will have a crop this year. *And... we needed the increased acres to build the wild rice stocks back up.* We have been so low in stocks that it was scary to say the least.

It should be noted that in order to increase the planted acres of wild rice, grower values had to increase. This was absolutely necessary. Processors have to compete against other agricultural commodities for the acres. Growers have responded positively to higher prices and planted more wild rice. The result was higher raw material costs compared to last year. As a result, we do not expect that the wild rice prices will go down. Prices should remain stable.

In conclusion, please note that all our existing customers will be given the opportunity to buy their normal requirements and even increase their volume if required. We will start discussing pricing over the next 3-4 weeks for the upcoming crop year. At this point, we do not expect a big drop in prices compared to last year's early contract prices. However, prices will be down compared to prices paid later in the 2007/2008 crop year.

*Finally, please do not forget the shortages of last few years and who was able to supply you wild rice consistently at fair market prices.*

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

Ali Bilgen