

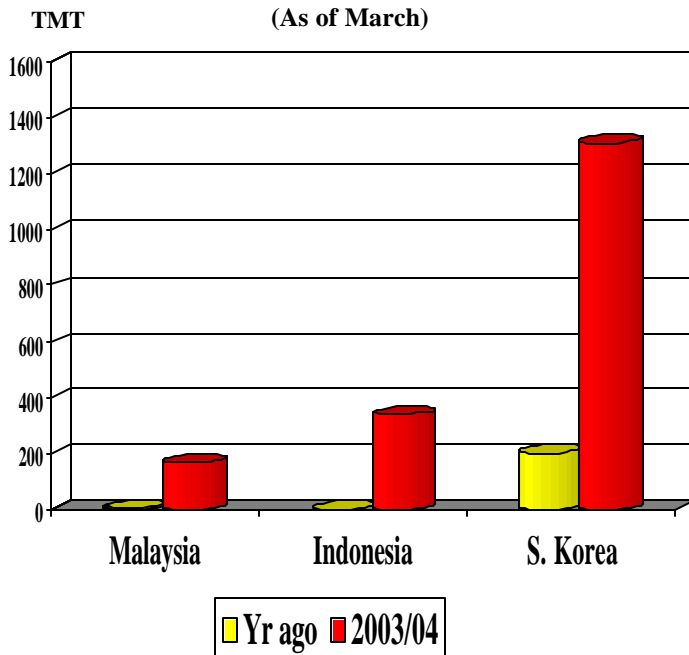


Grain: World Markets and Trade

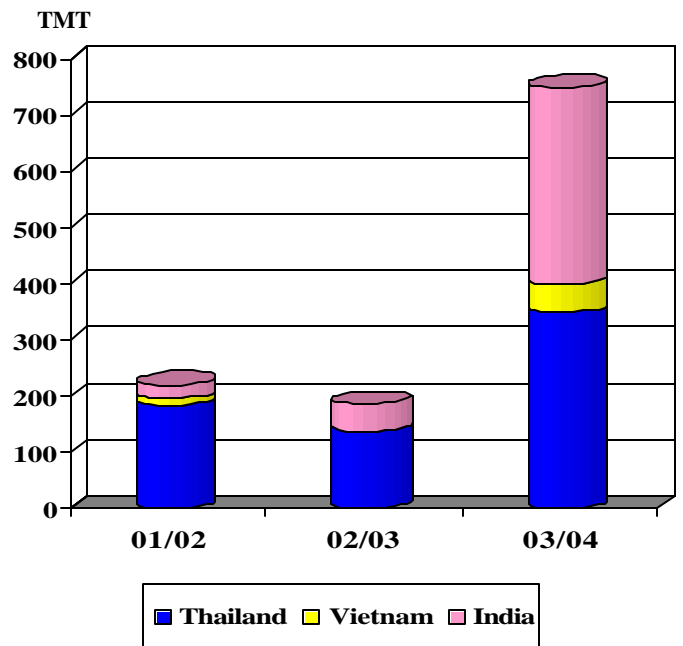
Asian Corn Markets Scramble As China Retreats

U.S. Sales to Asia Surge

(As of March)



Minor Exporters Emerge



China's retreat from large corn exports has forced its traditional customers to seek alternative suppliers. Malaysia, Indonesia, and South Korea, which together sourced 87 percent of their 13 million ton imports from China in 2002/03, are turning to the United States and minor exporters. U.S. sales to these destinations have soared compared to the same period a year ago.

However, high trans-Pacific freight rates have kept the United States from capturing an even larger market share in Asia, where exporters such as Thailand, Vietnam, and India are expanding sales due to larger-than-expected exportable supplies. An Avian Influenza-induced drop in feed demand in Thailand and Vietnam has allowed more corn to go into export channels. India's record crop has reduced prices, making its exports more attractive in the absence of Chinese offers. All combined, exports from these countries are expected to more than quadruple to 750,000 tons.