

### Domestic Wheat

Local pricing for new crop wheat has been heavily influenced by the dramatic fall in US wheat futures. ASX Milling Wheat for Jan 10 delivery has fallen \$10.00 in the last week with a fall of \$47 since the 1st of June. Cash Multigrade contracts have slipped \$8.00 in the last week and \$43 since the beginning of June. The Dec 09 wheat contract on CBOT has slipped over 177c/bu, or roughly \$82.00/t in our money. Basis levels, the difference between our cash price and the underlying CBOT futures contract is very high, around 80c FOB, this is strong for June and shows the market is reluctant to follow the market as low as it could but may also suggest the market will not follow it up dollar for dollar when and if a correction in US futures occurs. Old crop FED1 & 70/10 wheat ex farm Liverpool Plains has also slipped from its high of roughly \$235 ex farm to around \$210 ex farm. Grower selling on both the old and new crop is very slow with most forward contracts struck around \$300 port early in June now well in the money. Modeling of the global market is not bullish price either, unless the USDA goes some way in correcting many of the bearish figures in their last report in the next USDA World Ag S&D report later this week it is hard to see a range better than \$220 - \$190 XF LPP APW1.

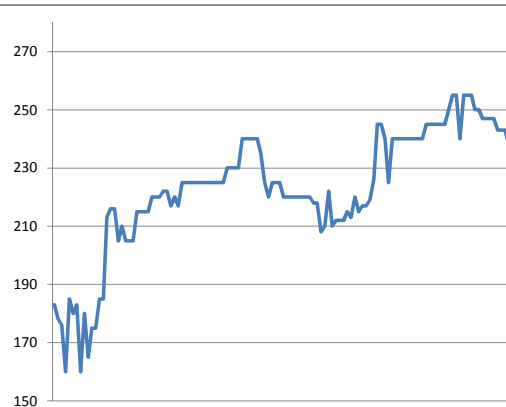
### Other Grains

New crop barley is basically unchanged with multi grade contracts sitting around \$240 / \$200 for GA1 / F1 track Newcastle basis. Old crop prices remain firm as stocks continue to dwindle, XF LPP F1 was big at \$200 late yesterday but grower selling remains subdued. Old crop sorghum has done extremely well to hang on as new season grain prices crashed, SOR1 off the Liverpool plains last roughly \$10 to remain bid around \$185 today. Demand is good for sorghum but freight rates into the Melbourne market remain a problem for those relying on contract carriers to cart LPP sorghum into Victoria. The pulse market has remained flat with new season chickpea bid at \$420-5 delivered Narrabri, there is buying interest there but as in most years the desire to forward contract chickpeas by the grower, even on an acre basis, is very low. Canola has been heavily impacted by the moves in both currency and the general oilseed markets over June, old crop shedding \$40 and new crop \$60 as canola futures in Canada decline on the back of better bean production, but is it all smoke and mirrors ?

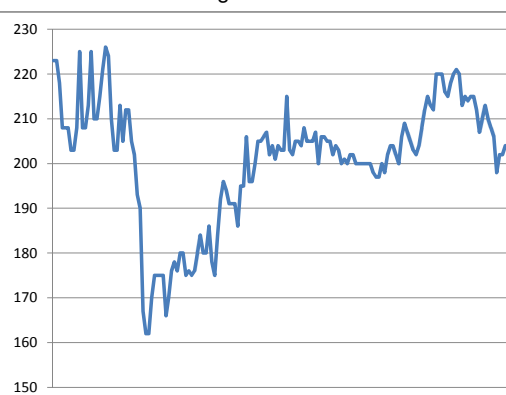
### International Markets

EU wheat futures were pretty much a follower of the US futures market over the last week, granted the declines were not as large but the trend lower was reflected. In the course of the week US wheat values have become very much competitive in the global arena and looking at the futures charts one begins to wonder just how much more fund liquidation can the markets sustain before we see a correction. Egypt has continued to snub Russian wheat in the last couple of tenders and to date is yet to release the cargo held at port that was rejected for "quality" concerns, not long after the market fell considerably. We are in the middle of the northern hemisphere harvest, US winter wheat is around 56% complete with the major cropping districts of Texas, Oklahoma and Kansas all rapidly approaching the end as hot, dry weather aided harvest last week. In years of plenty it is not unusual to see prices slide at harvest and creep back during October until again slipping as the southern hemisphere begins to harvest, this year may well be one of those years unless we see the much talked about El Nino rare its ugly face. The BOM will report on that again this week, it will impact the market.

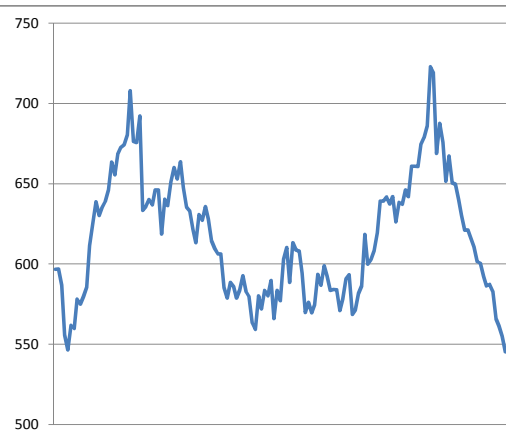
FED1 Wheat Track Newcastle From Dec 08



Track Sorghum From Oct 08



CBOT Dec 09 Wheat from Dec 08



### Today's Market Indicators For Liverpool Plains:

### Important: Call For Site Specific Prices, Use As A Guide Only

Nearby Futures	Move 24hr	Wheat 08/09	Newcastle	Move	Barley 08/09	Newcastle	Sorghum 09	Track	Ex Farm
CBOT Wheat	490.50	-9 3/4	APH	\$285.00	MLT1	\$280.00	Location	2009	2009
KCBT Wheat	542.25	-12 1/2	H2	\$274.00	F1	\$212.00	Gunnedah	\$169.50	\$185
MGEX Wheat	611.50	-6 1/2	APW	\$270.00	F1 X Farm LPP		Premier	\$169.50	\$182
ASX Milling	\$266.00	-\$14.00	ASW	\$248.00	Sorghum Track NTL		Spring Ridge	\$172.25	\$185
ASX Sorg	\$189.80	\$0.30	AGP	\$211.00	2009	\$202.00	Werris Creek	\$175.25	\$185
CBOT Corn	343.25	-2 1/2	FED1	\$233.00	2010	\$195.00	Willow Tree	\$177.25	\$185
Currency	0.7960	0.0043	Multigrade 09 / 10 Wheat		Canola Track Newcastle		Quirindi	\$175.75	\$185
Chickpeas	Del Nбри	\$420	Newcastle Track	\$255.00	Canola 09/10	\$500.00	Ex farm J / J / A buyers call.		

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