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Domestic Wheat

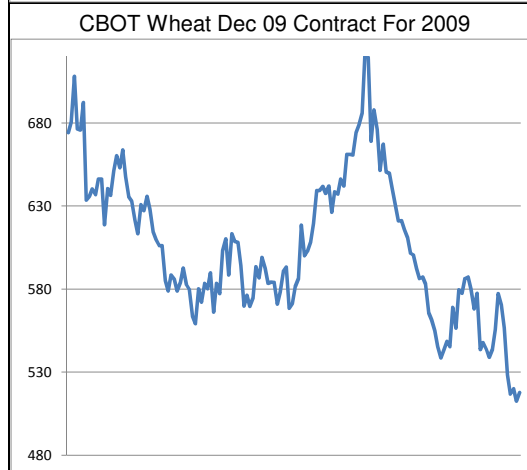
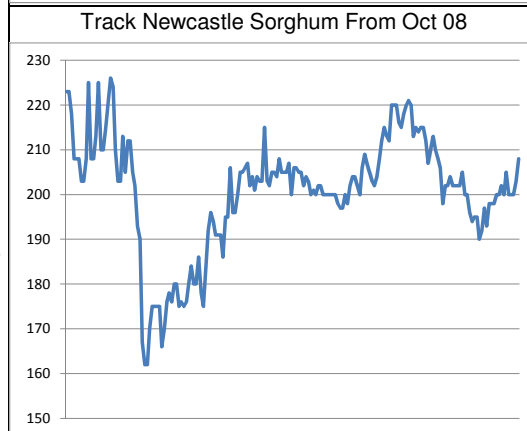
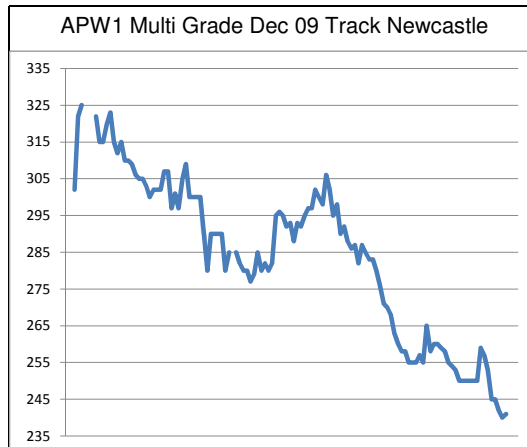
Local wheat prices followed CBOT futures lower through the week falling from \$253 to \$240 for the multigrade contract, ASX Jan 10 milling wheat futures declined \$8.00/t from \$245 last Thursday to \$237 yesterday afternoon. Basis levels remain positive at both a port and FOB level, indicating the east coast domestic market is still very strong even given the recent decline in prices. Old crop wheat into the feed market also softened after west coast wheat was shipped into the Melbourne market greatly reducing bids from that area that had supported prices as far north as NNSW. SQ feedlot demand is there but soft and representing bids as low as \$175 in some instances although 70/10 wheat from the border has traded at \$190 ex farm in recent days. Obviously the key to the price in the coming weeks is the weather on the east coast. WA is having a good run and may see 9mt this year, but without rain in Qld, NSW and Vic in the near future crop estimates will be greatly reduced. Already reports of wheat on less than ideal country failing on the outer downs and border are beginning to filter through the trade. This is disheartening but the vast majority of the crop is still far from failing and late August rain will make a huge difference.

Other Grains

The focus of the last couple of weeks has been the jump in new crop chickpea values, although acres on the Liverpool Plains are greatly reduced this year there are significant planting west of the Newell and into SQ. Late monsoonal rain in N.India created concern as dams needed replenishing and many were worried about crop yields. As it turns out there has been rain and the coming week sees more forecast across much of the productive country east of New Delhi. Old crop sorghum has been stumbling along enjoying the odd trade short on the track, the market traded above \$200 for the first time since mid July, peaking at \$208 today, but stocks are tight and the dry weather continues to see sellers and buyers some \$10 - \$15 apart in most instances. Sorghum into the Melbourne market remains bid at \$257, well short of making it work out of NNSW. Feed barley is spasmodic, with some demand now creeping in from the north, prices are not brilliant but as is the case with all feed grains at the moment continued dry weather may play a major roll in the next 3 - 6 weeks.

International Markets

CBOT Dec 09 wheat futures are down 10.5c/bu week on week, with a 15.75c range for the same period. Looking at the latest USDA report it is hard to find any bullish news that could result in this market moving higher in the short term. To expect a trading range of 470 - 520c/bu in the near term would be realistic. EU wheat futures have trended much the same as CBOT, Paris milling wheat appears to be flattening out around E131.00/t and pommy feed wheat is around E90.00/t. The northern hemisphere crop is roughly 65% harvested, most the winter grown grains are off and most continents have started with spring grown crops in the earliest ripening regions. Canada maybe one to watch, with production already reduced due to drought we now see temperatures across the northern prairies falling into the single digits this week with a cold front expected to bring possible frosts by the end of the week, this could be devastating for the late developing crops and may be just what the international market need to put an end to the decline on values of recent weeks but even with a frost in Canada it will most likely not be the catalyst to push prices back to last years levels, yes the world is once again awash with wheat it appears.



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	490.25	5	APH	\$255.00	MLT1	\$240.00	Location	2009	2009
KCBT Wheat	519.00	2	H2	\$241.00	F1	\$205.00	Gunnedah	\$175.50	\$184
MGEX Wheat	563.00	-5 3/4	APW	\$239.00	F1 X Farm LPP		Premier	\$175.50	\$181
ASX Milling	\$251.00	\$0.00	ASW	\$217.00	Sorghum Track NTL		Spring Ridge	\$178.25	\$184
ASX Sorg	\$196.00	\$1.50	AGP	\$200.00	2009	\$208.00	Werris Creek	\$181.25	\$184
CBOT Corn	375.25	7	FED1	\$200.00	2010	\$208.00	Willow Tree	\$183.25	\$184
Currency	0.8332	0.0039	Multigrade 09 / 10 Wheat		Canola Track Newcastle		Quirindi	\$181.75	\$184
Chickpeas	Del Nбри	\$460	Newcastle Track	\$241.00	Canola 09/10	\$513.00	Ex farm	A / S buyers call.	

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