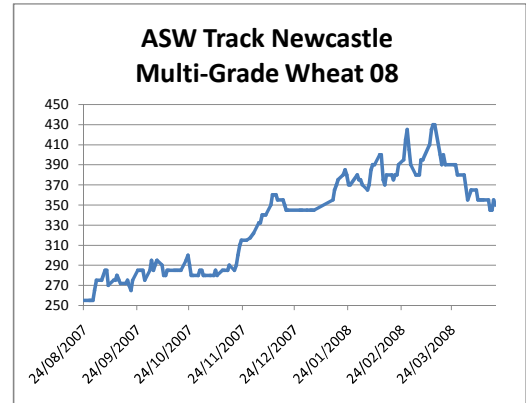


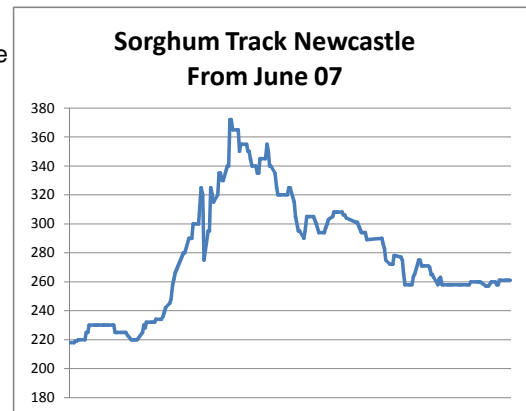
Domestic Wheat

Old crop business is non existent with most grower owned parcels now traded, ex farm values remain strong but with no offers to test the market the bid / offer spread could be exaggerated. New crop wheat basis remains weak as US market volatility persists. Producers who are accustomed to the swap market see the lower basis in cash bids and assume a swap position may offer them the opportunity to lock in a better cash basis at some time in the future regardless of how high the cash market is at the moment. Cash sellers are seeing the desire to sell into these high prices being counteracted by the on going dry, leading to low volume. If US & global wheat production becomes firmer over coming weeks (as is expected now) we should see US futures drop and those with improving swap positions may then look to buy out of the their swaps and do physical sales before our domestic prices soften but this is a big call without planting rain. Rain may reduce the local cash price for new crop wheat as it alone could soften global futures. Nothing easy about marketing this year just remember the price has a bigger chance of going lower than higher at these levels.



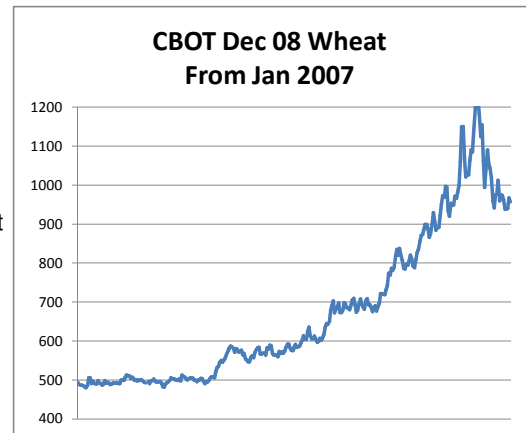
Other Grains

Sorghum remains well offered by the grower, as would be expected in such a year, the trade are also offering good volume with trade to trade track business happening around \$264 yesterday but trade offers have drifted a little lower today with track bids to growers slipping as a result. Ex farm demand is strong but trucks continue to be a problem, the Victorian feed market is bidding well with prices to farm on the Liverpool Plains equivalent to \$251, further north sees the freight begin to work against the equation with Rowena bid at \$238. New crop Min - Max chickpea contracts are now available at \$650 delivered Narrabri, these are initial indications and may change over coming weeks as northern hemisphere acres become clearer, Canada in particular. Feed barley values crept a little higher on southern demand this week, track F1-2 & 3 values all jumping by up to \$20 / tonne but it appears most barley is now sold as the market continues to struggle to find offers of any volume, please call me if you have feed barley available.



International Markets

US futures continue to be plagued by the volatility in other markets. Week on week saw the December 08 contract trade a range of 40.5c (on settlement values) only to close out last night up 11c on last Thursdays close. Market announcements have included India suggested they may, then may not require imports, China announcing they will not require imports. While on China, who supply up to 25% of the world fertilizer, they have slapped a 100 - 125% export tariff on fertilizer to keep their local values down, watch fertilizer prices move in coming months. Kazakhstan announced it intends to curb wheat exports with tariffs in the short term and the EU have exported over 2mt more wheat than this time last year. Argentina continues to suffer from port strikes meaning a loss of wheat sales as Brazil, their major trading partner, looks to buy of the US. Although effecting bean sales more than wheat we have seen corn futures dragged higher as a result also, but corn is probably being more effected by continued US planting delays. Corn planting delays, I think that occurs every year and if it's from the rain just remember rain makes grain.



Today's Market Indicators For Liverpool Plains:

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

Nearby Futures	Move 24hr	Wheat 08	Newcastle	Move	Barley 08	Newcastle	Sorghum 08	Track	Ex Farm
CBOT Wheat	913.00	-11 1/2	APH	\$360.00	MLT1		Location	2008	2008
KGBT Wheat	973.75	-11 1/4	H2	\$355.00	F1	\$285.00	Gunnedah	\$240.37	\$248
MGEX Wheat	1239.00	-6	APW	\$350.00			Premer	\$240.98	\$251
ASX Milling	\$447.50	\$2.50	ASW	\$350.00	Barley 07		Spring Ridge	\$242.22	\$250
ASX Sorg	\$253.90	-\$1.60	AGP	\$335.00	F1	\$330.00	Werris Creek	\$243.47	\$247
CBOT Corn	603.50	0	GP1 XFLPP		F2	\$278.00	Willow Tree	\$244.07	\$248
Currency	0.9365	-0.0017	Canola Track Newcastle		F3	\$260.00	Quirindi	\$242.22	\$249
Faba Bean	Del Nbri		Canola 08	\$730.00	MLT1	\$364.00	Boggabri	\$239.13	\$246
Chickpeas 08	Del Nbri	\$650	Canola 09	\$0.00			Caroona	\$241.60	\$250

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