

**Daily Market Report**

21/12/2010 15:03

| 2010 Fixed Grade Grain Prices Delivered To Graincorp Sites |                           |                  |          |              |          |              |          |             |                                |
|--|---------------------------|------------------|----------|--------------|----------|--------------|----------|-------------|--------------------------------|
| Wheat  | Newcastle (Upcountry Del) | Goondiwindi West | Moree    | Bellata      | Gunnedah | Spring Ridge | Baradine | Coonamble   | 2011 Newcastle (Upcountry Del) |
|  | \$8.00                    |                  |          |              |          |              |          |             |                                |
| APW1 Move =  |                           |                  |          |              |          |              |          |             | \$5.00                         |
| APH1   | \$413.00                  | \$378.20         | \$372.40 | \$375.20     | \$383.10 | \$384.00     | \$366.80 | \$366.00    | \$330.00                       |
| APH2   | \$410.00                  | \$375.20         | \$369.40 | \$372.20     | \$380.10 | \$381.00     | \$363.80 | \$363.00    | \$325.00                       |
| H1   | \$380.00                  |                  | \$332.25 | \$336.75     | \$348.00 | \$350.75     | \$341.00 | \$339.25    | \$323.00                       |
| H2   | \$340.00                  | \$300.20         | \$295.25 | \$297.20     | \$308.00 | \$310.75     | \$301.00 | \$294.25    | \$315.00                       |
| AUH2   | \$325.00                  | \$283.20         | \$279.40 | \$286.75     | \$290.10 | \$291.00     | \$273.80 | \$274.25    | \$305.00                       |
| APW1   | \$325.00                  | \$285.20         | \$279.40 | \$288.75     | \$293.00 | \$295.75     | \$286.00 | \$279.25    | \$305.00                       |
| ASW1   | \$308.00                  | \$265.00         | \$264.00 | \$269.00     | \$276.00 | \$279.00     | \$263.00 | \$263.00    | \$290.00                       |
| AGP1   | \$265.00                  | \$219.00         | \$219.25 | \$225.75     | \$231.00 | \$234.00     | \$218.00 | \$218.00    | \$275.00                       |
| HPS1   | \$310.00                  | \$258.00         | \$262.25 | \$266.75     | \$278.00 | \$280.75     | \$271.00 | \$264.25    | \$264.00                       |
| FED1   | \$220.00                  | \$197.00         | \$172.25 | \$180.75     | \$186.00 | \$188.75     | \$179.00 | \$172.25    | \$243.00                       |
| Durum  | Newcastle (Upcountry Del) | Moree            | Bellata  | Emerald Hill | Curlewis | Spring Ridge | Tamarang | Willow Tree | Newcastle (Upcountry Del)      |
| DR1  | \$318.00                  | \$272.00         | \$277.00 | \$283.00     | \$286.00 | \$288.00     | \$283.00 | \$288.00    |                                |
| DR2  | \$275.00                  | \$234.40         | \$237.20 | \$244.73     | \$245.30 | \$246.00     | \$245.20 | \$248.00    |                                |
| DR3  | \$250.00                  | \$209.40         | \$212.20 | \$219.73     | \$220.30 | \$221.00     | \$220.20 | \$223.00    |                                |
| DRF  | \$175.00                  | \$134.40         | \$137.20 | \$144.73     | \$145.30 | \$146.00     | \$145.20 | \$148.00    |                                |
| Barley   | Newcastle (Upcountry Del) | Goondiwindi West | Moree    | Gurley       | Narrabri | Gunnedah     | Quirindi | Boggabri    | Newcastle (Upcountry Del)      |
| GA1  | \$302.00                  | \$268.00         | \$256.25 | \$253.00     | \$262.50 | \$270.00     | \$276.75 | \$267.00    | \$244.00                       |
| F1   | \$200.00                  | \$180.00         | \$173.00 | \$167.50     | \$184.50 | \$168.00     | \$174.75 | \$165.00    | \$157.00                       |
| Canola   | Newcastle (Upcountry Del) | Moree            | Premer   | Ulamabri     | Tamarang | Neilrex      | Quirindi |             | Newcastle (Upcountry Del)      |
| Track  | \$560.00                  | \$512.25         | \$528.00 | \$526.75     | \$529.75 | \$528.50     | \$534.75 |             | \$544.00                       |

Please call to confirm CAN3 spread.

| Sorghum | 2010 Harvest Sorghum |          |          |              |             | 2011 Harvest Sorghum |          |             |              |
|---------|----------------------|----------|----------|--------------|-------------|----------------------|----------|-------------|--------------|
|         | Goondiwindi West     | Moree    | Premer   | Spring Ridge | Willow Tree | Moree                | Premer   | Willow Tree | Spring Ridge |
| Track   | \$196.00             | \$192.25 | \$208.00 | \$210.75     | \$216.25    | \$170.00             | \$186.00 | \$194.00    | \$189.00     |

| Brisbane Track 2010 / 11 | APH2     | H2       | AUH2     | APW1     | ASW 1    | AGP1     | Chickpea | GA1      | F1       |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                          | \$412.00 | \$337.00 | \$320.00 | \$322.00 | \$300.00 | \$260.00 | \$520.00 | \$303.00 | \$215.00 |

**Ex Farm Estimates For New Crop Grain (please call for old crop bids)**

| Location     | Sorghum 10 | 70 / 10 | F1    | Chickpea | Canola | Faba Beans | Mung Bean | APH2  | Sorghum 11 |
|--------------|------------|---------|-------|----------|--------|------------|-----------|-------|------------|
| Baradine     | \$179      | \$180   | \$170 | \$475    | \$508  | \$205      | \$700     | \$360 | \$162.00   |
| Bellata      | \$204      | \$195   | \$193 | \$480    | \$522  | \$210      | \$710     | \$374 | \$176.00   |
| Boomi        | \$214      | \$215   | \$196 | \$485    | \$503  | \$198      | \$730     | \$355 | \$195.00   |
| Coonamble    | \$179      | \$180   | \$168 | \$475    | \$498  | \$205      | \$690     | \$350 | \$155.00   |
| Garah        | \$208      | \$200   | \$193 | \$480    | \$508  | \$202      | \$725     | \$360 | \$180.00   |
| Gunnedah     | \$194      | \$195   | \$187 | \$475    | \$531  | \$205      | \$700     | \$383 | \$185.00   |
| Moree        | \$214      | \$207   | \$193 | \$480    | \$517  | \$208      | \$725     | \$369 | \$187.00   |
| Mullaley     | \$184      | \$195   | \$183 | \$475    | \$527  | \$205      | \$700     | \$379 | \$181.00   |
| Narrabri     | \$199      | \$195   | \$188 | \$485    | \$525  | \$215      | \$710     | \$377 | \$179.00   |
| Premer       | \$185      | \$190   | \$184 | \$465    | \$527  | \$195      | \$700     | \$379 | \$181.00   |
| Spring Ridge | \$186      | \$195   | \$186 | \$472    | \$531  | \$202      | \$700     | \$383 | \$185.00   |
| Walgett      | \$189      | \$180   | \$168 | \$475    | \$498  | \$205      | \$700     | \$350 | \$160.00   |
| Willow Tree  | \$189      | \$195   | \$186 | \$470    | \$533  | \$200      | \$700     | \$385 | \$187.00   |

Mung Bean Bid is Based Of Processing Grade Clean Seed Basis Ex Farm LPP, contracts are area bases multigrade. Other Commodities Available

|                     |               |                 |               |                 |                     |                               |               |
|---------------------|---------------|-----------------|---------------|-----------------|---------------------|-------------------------------|---------------|
| <b>Cotton Price</b> | <b>2011 =</b> | <b>\$680.00</b> | <b>2012 =</b> | <b>\$520.00</b> | <b>FOT Gin Yard</b> | <b>Basis APW Track Nearby</b> | <b>\$0.72</b> |
|---------------------|---------------|-----------------|---------------|-----------------|---------------------|-------------------------------|---------------|

**Morning Comments**

Between washing out contracts and looking for an the elusive bid for CAN3, DR9 and FED3 I've been thinking about the actual S&Ds for east coast feed grain. Sorghum area was already back a fair bit on increased cotton area and low prices but what has actually been planted. I've done some rough estimates and I've come up with a national crop of about 954kt, that's about the same as demand. The big question is how much of that demand will be switched to FED1, and at the moment my guess is very little. I'll talk mainly of FED1 because at the moment there is no price or consumer interest in FED3 or DR9 type wheat. FED1 is priced at roughly \$190 delivered Gunnedah, a consumer will need to execute this grain out of warehouse which will cost them roughly \$13.00, they will then need to freight it somewhere, for the ease of the exercise lets say Tamworth at \$15/t, so you can see the FED1 has cost them \$218 landed, so roughly \$200 ex farm. With sorghum at \$185 - \$190 ex farm why would they buy FED1. We also continue to see 70/10 wheat offered at \$205 / \$210 but buyers are only bidding about \$195 ex farm LPP. You can see by using the above FED1 system bid that the \$195 bid for 70/10 is also \$5 to \$10 off the pace, you can't help but think that 70/10 wheat should also pull a premium over FED1. US wheat and soybean futures moved higher overnight on the back of dry US weather in the wheat belt while dry conditions in Argentina pushed the soybean market higher which in turn also dragged the canola market higher on both the ICE and Paris exchanges.

|           |        |            |                    |        |
|-----------|--------|------------|--------------------|--------|
| AUD / USD | 0.9931 | CBOT Wheat | Move & AUD / Tonne | \$2.73 |
|-----------|--------|------------|--------------------|--------|

**Weather**

Thursday should see the development of a trough line in Western NSW, with a high moving into the Tasman moist air will be pushed across the ranges triggering storms across most of inland QLD and NNSW by late Thursday and Friday. Modelling suggest heavy rain in SQLD Thurs / Friday with storms producing heavy rain west of the Newell in NSW on Saturday. These storms should move NE over the Moree area on Sunday producing heavy rain as it goes.

Track Canola



FED1 Wheat Track Newcastle

