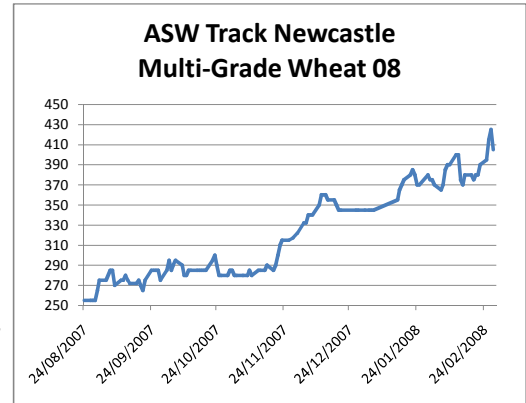


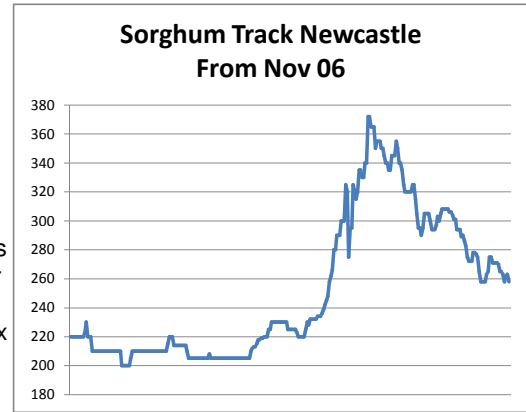
Domestic Wheat

Old crop wheat values topped out this wheat at \$530 track Newcastle for APH2 with ASX futures trading slightly higher for a moment. There is little old crop wheat available warehoused ex Graincorp depot now as these high prices have drawn out the last of the sellers. Ex farm values increased week on week with HPS1 or better trading at \$420 ex farm Liverpool Plain yesterday compared to \$405 earlier in the week. Weevil control continues to be an issue please keep a close eye on all stored grain. Most of the attention was on the new crop contracts as the US futures markets traded wildly. Multi-Grade wheat on the track traded at \$425 Newcastle on Wednesday for a few hours before closing the day at \$415 after the overnight session opened up significantly lower at 11am our time the same day. Traders are having a hell of a time trying to make this work, basis is fluctuating wildly with the new trade limits on the US markets, basis alone this week has moved from 60 over to 160 under in a two day period, hence the reluctance of a merchant to leave a good bid out there for too long as it can cost them \$50 / tonne easily in basis alone.



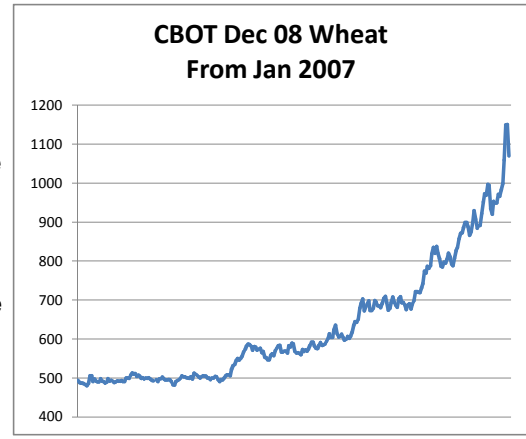
Other Grains

Consumers continue to be reluctant bidders of new crop sorghum resulting in the market finding it hard to bid on ex farm sorghum. One way to look at this is from the consumers perspective. There is a huge sorghum crop on the Liverpool Plains and Qld, the end user realises that there is no way the entire crop can be stored on farm thus a large portion of it will be delivered to Graincorp for storage. Currently track prices are \$265 track Newcastle, if a consumer was to buy this grain and execute it and take delivery of it ex say Spring Ridge depot to their mill at say Tamworth it would cost roughly \$275/t landed mill. But at harvest time the consumer could ask you what's the best price available, with no ex farm bids available you would need to convert your best silo bid to an ex farm bid by deducting your local freight from the delivered silo price, e.g. \$265 - \$20 = \$245 Spring Ridge silo, less \$10 to get it there gives you an ex farm price of \$235, versus what the consumer would have to pay for the same grain out of the track about \$255 ex farm equivalent.



International Markets

What a week, US futures have been ballistic, first on the upside and then on the downside. On settlement values alone this month has seen a 288c range on the nearby CBOT wheat contract. Chicago Dec 08 contract has seen a range of 270c/bu resulting in huge volatility in global and US wheat values. Spring wheat futures at the Minneapolis Grain Exchange were the catalyst, as the US slowly realised that they are likely to run out of high protein spring wheat it sent ripples through all the other major grain exchanges. At one stage this week, MGEX traded at US\$25.00/bu. The International Grains Council released its new crop wheat estimates recently and have pegged global wheat production to bounce back to 647mt (605mt), with big increases in India, USA, Canada and Australia. Drought reports in Texas but more so across the North China Plain may have a bearing going forward but it is still too early to write off these crops. EU markets although volatile did not suffer the wild fluctuation of the US markets. The moves this week did offer good opportunity in the swaps and physical markets.



Today's Market Indicators For Liverpool Plains:

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

Nearby Futures	Move 24hr	Wheat 07	Newcastle	Move	Wheat 08	Newcastle	2008 Crop	Sorghum	Barley
CBOT Wheat	1169.00	-111	APH	\$525.00		APH	\$400.00	Graincorp Site 2008	2008
KGBT Wheat	1235.00	-102	H2	\$520.00		H2	\$395.00	Gunnedah	\$238.37 \$288
MGEX Wheat	1825.00	-175	APW	\$515.00	-\$5.00	AUH2	\$385.00	Premer	\$238.98 \$289
ASX Milling	\$530.50	\$6.20	ASW	\$505.00		APW	\$390.00	Spring Ridge	\$240.22 \$290
ASX Sorg	\$250.00	\$0.00	AGP	\$495.00		ASW	\$390.00	Werris Creek	\$241.47 \$291
CBOT Corn	543.25	18 1/4	GP1 XFLPP	\$420.00	Prompt	AGP1	\$375.00	Willow Tree	\$242.07 \$292
Currency	0.9462	0.0048	Canola Track Newcastle			FED1	\$355.00	Quirindi	\$240.22 \$290
Faba Bean	Del Nbri	\$605	Canola 07	\$0.00	\$815.00	HPS1	\$360.00	Boggabri	\$237.13 \$287
Chickpeas	Del Nbri	\$625	Canola 08	\$20.00	\$813.00	Multi Grade Contract		Caroona	\$239.60 \$290

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