

**Daily Values, Comments & Weather**

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**US Grain Futures Softer On Financial Sector Woes. Local Markets Just Following.**

| Wheat:  | Move 08 Crop    | 0.00                                 |              |
|---|-----------------|--------------------------------------|--------------|
| All Wheat Flat Priced.  |                 |                                      |              |
| 2008 - 09 New Crop Multi-Grade Wheat                                    | Track Newcastle | Gunnedah                             | Spring Ridge |
| APH2  | \$320           | \$290                                | \$292        |
| H2  | \$310           | \$280                                | \$282        |
| AUH2  | \$300           | \$270                                | \$272        |
| <b>APW1</b>   | <b>\$300</b>    | <b>\$270</b>                         | <b>\$272</b> |
| ASW1  | \$290           | \$260                                | \$262        |
| AGP1  | \$275           | \$245                                | \$247        |
| FED1 (Indicative Spread)  | \$220           | FED1 Spread Confirmed At Contracting |              |
| ADR1  | \$420           |                                      | \$392        |
| ADR2  | \$400           |                                      | \$372        |
| ADR3  |                 |                                      |              |
| ADRF  |                 |                                      |              |
| Ex Farm GP1 Or Better   |                 |                                      |              |
| 2008 - 09 NACMA Location Differentials Will Apply To New Crop Contracts |                 |                                      |              |

| Sorghum 2008   | Limited Tonnage |          |
|--|-----------------|----------|
| TRK NTL =  | \$0.00          | Sept     |
| Site   | TRACK           | FARM     |
| Bellata  |                 |          |
| Boggabri   | -\$22.87        |          |
| Gunnedah   |                 |          |
| Spring Ridge   |                 |          |
| Premer   |                 |          |
| <b>Sorghum 2009</b>  | Track           | Ex Farm  |
| Newcastle  | \$233           | \$198.00 |
| 2008 - 09 NACMA Location Differentials Will Apply To 2009 Crop |                 |          |

| Canola                       | \$593.00 | \$0.00      |
|------------------------------|----------|-------------|
| New Crop Track: 2008 Harvest |          |             |
| Moree                        | Premer   | Willow Tree |
| \$555.25                     | \$562.50 | \$570.25    |
| Track Newcastle 2009 Harvest |          |             |

| Barley                   | 2008 / 09       | F1 Move  | -\$5.00  |
|--------------------------|-----------------|----------|----------|
| Fixed Grade              | Newcastle Track | Narrabri | Moree    |
| Malt 1                   |                 |          |          |
| Malt 2                   |                 |          |          |
| Malt 3                   |                 |          |          |
| Feed 1                   | \$235.00        | \$200.25 | \$197.25 |
| Feed 2                   |                 | -\$39.75 | -\$42.75 |
| Feed 3                   |                 | \$180.25 | \$157.25 |
| Ex Farm Liverpool Plains |                 | \$195.00 | \$195.00 |

| Other Crops  | Chickpea move  | \$0.00      |
|--|----------------|-------------|
| Commodity  | Delvd Narrabri | Ex Farm LPP |
| Chickpea Oct / Nov                                       | \$455.00       |             |
| Chickpea Dec 1-15th                                      |                |             |
| Cairo No1  |                |             |
| Sunflower  |                |             |
| Pulses deliver Oct / Nov Min / Max Contract 0.5 to 2t/ha |                |             |

**What The Gurus Say**

US wheat values are high and this is becoming evident when looking at their second largest importer and 53rd state, Iraq. Since June Iraq has only bought 20,000 tonnes of US wheat, once a dependable HRW buyer they have bought 200,000t of Black Sea wheat in the same period. Demand will begin to play a major role in this market as S Hemisphere crops come online, a now deregulated line.

**Location Differentials: Draft NACMA Rates**

| Graincorp Site  | 07 - 08 | 08 - 09 | Graincorp Site | 07 - 08 | 08 - 09 |
|-----------------|---------|---------|----------------|---------|---------|
| Baradine        | \$35.25 | \$34.75 | Curlewis       | \$21.02 | \$29.00 |
| Bellata         | \$26.26 | \$36.25 | Edgeroi        | \$25.67 | \$35.50 |
| Boggabri        | \$22.87 | \$33.00 | Emerald Hill   | \$21.63 | \$32.00 |
| Burren Junction | \$32.00 | \$37.75 | Garah          | \$32.13 | \$39.50 |
| Caroona         | \$20.40 | \$26.50 | Goondiwindi    | \$24.65 | \$0.00  |
| Croppa creek    | \$33.62 | \$39.75 | Gunnedah       | \$21.63 | \$30.50 |
| Culgoora        | \$29.05 | \$35.50 | Gurley         | \$28.05 | \$36.75 |

**At A Glance:**

With the US investment dollar sitting out of grain futures at the moment we are seeing markets slip further as US prices converge with global values. Outside of financial markets pressure will persist unless the US gov get the bail out package right but fundamentally it would be hard for US exporters to justify a move higher considering they have lost out to Black Sea wheat in the last three Egyptian tenders. Local markets remain new crop focused with farmers selling any rally above \$320 track Newcastle. Crops in the western Riverina are shot ducks but recent rain has greatly improved yield prospects in CW NSW. Old crop sorghum is discounted heavily and will basically price itself as new crop, demand continues to be hand to mouth for sorghum.

**Weather:**

High pressure over SA will move east through the week keeping conditions stable through to the weekend when a trough line will develop over NSW creating storms in N NSW and SE Qld and possibly bringing good rain to the Riverina and Vic before returning to dry conditions again.

| Futures            | 26/09/08 | Dec-08  | Mar-09  | May-09  | Jul-09  | Sep-09  | Dec-09  |
|--------------------|----------|---------|---------|---------|---------|---------|---------|
| Wheat CBOT         | -20 1/4  | 716     | 737     | 751     | 761 1/2 | 778     | 799 1/4 |
| Wheat Kansas       | 0        | 745 3/4 | 765 3/4 | 778 1/4 | 779 3/4 | 787 1/4 | 807 3/4 |
| Wheat MGEX         | -16      | 789 3/4 | 801 1/4 | 809     | 813     | 815     | 830     |
| Corn CBOT          | -15 1/4  | 543     | 561     | 572 1/2 | 582 1/2 | 586 1/2 | 588 3/4 |
| Aussie Dollar Spot | \$0.8283 | Nov-08  | Jan-09  | Mar-09  | May-09  | Nov-09  | Jan-10  |
| Wheat Milling ASX  | 0.00     | 358.00  | 310.00  | 317.40  | 324.30  | 339.30  | 357.50  |
| Barley Feed ASX    | 0.00     | 300.00  | 250.00  | 255.00  | 264.50  |         | 277.00  |
| Canola WCE         | -9.20    | 474.10  | 484.70  | 494.90  | 504.90  | 513.70  | 525.80  |
| Sorghum ASX        | 0.00     | 243.00  | 245.00  | 244.00  | 250.50  |         |         |

**\*\*\*Indicative Prices: Call To Confirm.\*\*\***

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