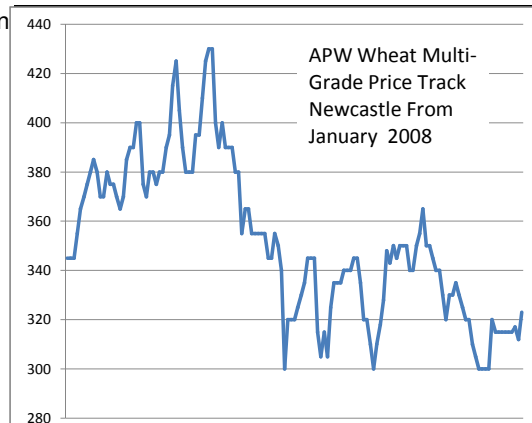


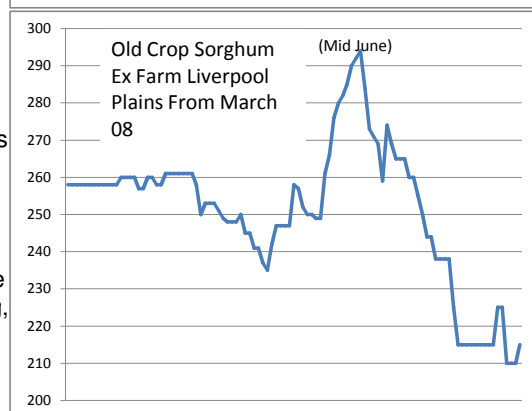
Domestic Wheat

Dec 08 cash wheat values were up \$8.00 / tonne week on week after a move higher in US futures on Thursday night. Basis levels were firmer through the week, this was encouraging as usually you will see a drift lower in basis as the AUD decreases in value. ASX milling wheat futures for January 09 were also much higher moving from \$320.50 on the 1st to \$338.50 on Friday with 14,773 contract or 295,460 tonnes now open on that contract. Today we are expecting to see considerable downside after heavy losses on the US futures markets on Friday night. At the moment ASX offers for the January 09 contract are at \$345 with a bid of \$330, holding up well. There is still little interest in ownership of grain from the major consumers at values being offered by the producer, consumers continue to watch the international market slide and are happy to sit on the side line while ever the weather remains favourable. Old crop wheat is still being sought after by the container trade, I have buyers for APH at reasonable bids but the domestic market is also very competitive especially for delivery to southern NSW markets.



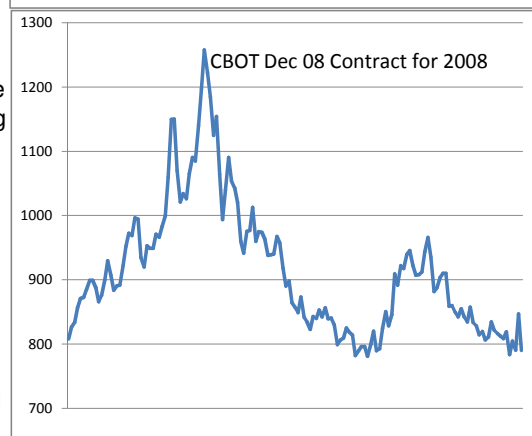
Other Grains

Old crop sorghum is continuing to slip on the back of lower export parity values and large grower stocks in SQ. A couple of month ago we saw good demand from the Victorian market but this is now somewhat subdued after Qld sorghum was moved in by the boat load. The spread between Brisbane and Newcastle is only \$5/tonne, this is narrow and would indicate Brissy may have some downside. New crop cash sorghum is flat with the falling dollar keeping some of the downside in futures under control, some cash bids actually moving up \$5/t week on week, this is not likely to be sustained after a sharp decline in US futures on Friday night. In mid June, say the 17th, new crop sorghum could be sold for \$300+ track Newcastle, many chose to take a swap or US futures position as opposed to selling physical sorghum prior to planting, a US futures position may have yielded as much as \$90/t as opposed to \$55 on the local cash market. Some demand is now creeping into the market for Cairo Faba beans but chickpeas continue to be soft after EU markets sold heavily into India.



International Markets

US wheat futures are still very volatile and closed the week roughly 30c/bu lower, this is roughly AUD\$12.30/t but the range for the week was roughly double that. Funds are having a general sell off through the entire commodities sector at the moment pushing corn, beans, wheat and oil to lower levels as the USD improves. European values are also lower as production estimates across the EU and Eastern Europe continue to climb. The increase in production maybe a little offset by the increase in demand from North Africa and the Middle East but we are now looking at a potential world record wheat production year even with drought conditions pruning planted acres in Argentina. The biggest influencing factor here is that the major exporting nations will all have significant wheat stocks to move in coming months which is expected to continue to put pressure on global values in the mid term. Last week we saw good purchases from the Middle East at numbers that would suggest we may see a trading range of between \$280 - \$320 track Newcastle in the coming months but once again I stress the market is very volatile.



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	765.25	-57	APH	\$323.00	MLT1		Location	2008	2008	
KCBT Wheat	803.75	-43	H2	\$318.00	F1	\$260.00	Gunnedah	\$188.37	\$205	
MGEX Wheat	866.00	-45 1/2	APW	\$313.00			Premier	\$188.98	\$205	
ASX Milling	\$403.00	\$0.00	ASW	\$303.00			Spring Ridge	\$190.22	\$205	
ASX Sorg	\$230.00	\$0.00	AGP	\$288.00	Barley 07		Werris Creek	\$191.47	\$205	
CBOT Corn	498.50	-23 3/4	GP1 XFLPP	Prompt	F2	\$0.00	Willow Tree	\$192.07	\$205	
Currency	0.9051	0.0000	Canola Track Newcastle			F3	\$0.00	Quirindi	\$190.22	\$205
Cairo Bean	Del Nbri	\$425	Canola 08	\$587.00	-20.00	MLT1	\$0.00	Sorghum 09	Track	Ex Farm LPP
Chickpeas	Del Nbri	\$535	Canola 09	\$0.00				Newcastle	\$240.00	\$205

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