

WEEKLY MARKET REPORT

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14th July 2008

Honey Pot Lane
Aberdeen 01476 862730
Bressingham 01651 882244
Cannington 01379 688600
Cotswolds 01278 652174
01242 890000

Larkwhistle 01962 794000
Rudgate 01937 848100

Wheat: USDA report Friday held no real surprises and dampened any prospect for a corn lead recovery. World wheat production was increased by 1.3 million tonnes from last month's report to 664 million tonnes. That is now 53 million tonnes above last season; approximately 4 times last year's UK wheat harvest. EU markets have continued to edge lower with Liffe losing £5 to £6 during the week. We will have a significant exportable surplus and competition for markets will be stiff from all quarters. Good quality will be essential to help combat the slide in prices.

OSR: Prices fell back by about £10mt over the week with the domestic buyers taking a wait and see approach to the market and the general harvest now just a few days away. The first crops to be harvested were in Kent and easily sold into the spot market at a premium for immediate collection. The outlook on the near continent was still looking favourable for reasonable to good yields with the surplus expected from the Ukraine lurking in the background, likely to keep the lid on prices in the short term. The forward carry from the harvest position to November had widened to £12mt to £14mt which made storage more viable. Please contact your local FBM, or the Oilseeds trading desk direct on 01476 862754 or 01476 862755 for details of our storage schemes.

Fertiliser: Nitrogen markets remain extremely tight. GrowHow are now fully sold from Jul - Oct. There is a small volume available for November; however, most distributors will have already allocated this so available tonnage is still tight. December volumes will be released at the end of July, but these will still be within the restraint of the current production availability plans for this season. Imports have also been difficult to source with the best quality Litan being very scarce. No let up on Potash prices as the producers gear up for annual shutdowns for summer holidays, which means less production than is normal.

Malting Barley: Winter crops are late compared to last season with continued cool showery weather affecting most parts. It seems to be the quiet before the storm for UK markets, trade is non-existent for crop 08 with brewers and maltsters waiting in anticipation for better buying opportunities. EU feed markets have devalued over the last week and this has bled into the malting market taking up to €5 off the value of spring FOB prices.

Crop 2009 is still being supported albeit at levels between €5 - €10 below 08. This has had a fair farmer following with growers locking into levels that represent good spreads to feed grains maybe in anticipation of increased acreages being drilled this autumn and the following spring.

Seed: Big demand for Winter Linseed continues as an alternative to tight rotational rapeseed - full details on the Seeds download section on the Grainfarmers website <http://www.grainfarmers.co.uk>.

Farmer selection of new season rape seed sees an escalation in demand for hybrid varieties with Dimension from DSV already sold out and biggest selling Monsanto variety Excalibur becoming short - really would be prudent to take cover soonest if you have not already done so - likewise Cabernet is also close to being sold out.

Pulses: Old crop feed beans are worth £180-185 depending on area. New crop prices ease a little as buyers withdraw from markets. Human consumption beans could see premium erode as 300,000 tonnes needed by Egypt will easily be covered by UK min 200,000 tonnes, France 200,000 tonnes and Australia 150,000 tonnes all looking to sell. Early premiums could be the best when known. All peas in demand and samples are requested please.

Oats: Old crop oats are worth £115-£120 for milling quality, but feed quality oats are hard to find a buyer. Harvest oats have seen export interest pushing prices up to £120 ex farm, if near to ports. 09 contracts are available please ask your local FBM for details or Peter Daubney on 01476 862755.

Indicative Ex farm Prices - €/mt			
	Fd Wht (Assured)	Fd Bly (Assured)	Gp1 MW prem
JULY	141.00	120.00	25
AUG	128.00	122.00	30
NOV	136.00	128.00	30
	OSR	Peas	Beans
JUL/AUG	335/340	POA	POA
SEPT	340/345	POA	POA
NOV	347/352	POA	POA
Currency			
	Last wk	Today	+/-
£/\$	1.9671	1.9821	0.015
Euro/£	0.7947	0.8001	0.005
Euro/\$	1.2578	1.2494	-0.008
LDN Wheat FUTURES			
	Last wk	Today	+/-
Jul-08	150.00		-150.00
Nov-08	147.50	141.50	-6.00
Nov-09	152.00	148.00	-4.00