

WEEKLY MARKET REPORT

Weekly Report
7th September 2007

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

Larkwhistle 01962 794000
Rudgate 01937 848100

Wheat: Wheat markets soared to all time record highs lead by two consecutive days of limit up trading on the US wheat market. Egypt have made purchases as have Morocco and Algeria. Domestic consumers chased additional supplies, but now sit well covered to the end of the year. In the UK we have seen unprecedented daily gains of £10 per tonne, but the end of the week has seen substantial long liquidation and the all the week's price rises have been lost. Fundamentals are no different with an extremely tight Global balance sheet and all eyes are on Australia. Desperately needed rain is forecast for the coming week; but if it stays dry their crop will be in serious trouble and we will be off to the races again.

OSR: A bit of a dip at the end of the week with a volatile market finishing up with values about unchanged on the week. However, interest from both the crusher and the compounder was tempered somewhat by their respective end products becoming a more difficult sell together with better cover taken at least on the spot position. Export interest was intermittent and no better relative to the domestic market. Sales of Splendor were still going well with the outlook for drilling looking good for a week or so yet. The basic price structure was unchanged running forward at a pound a month, which at current prices struggles to cover the finance costs. New crop remained well bid and buoyant with the harvest 2008 price at £210 to £215 with just £8 more for November.

Indicative Ex farm Prices - £/mt

	<u>Fd Wht</u> <u>(Assured)</u>	<u>Fd Bly</u> <u>(Assured)</u>	<u>Gp1 MW</u> <u>prem</u>
SEPT	168	162.00	21/25
NOV	173	168.00	21/25
MAY	178	174.00	21/25

	<u>OSR</u>	<u>Peas</u>	<u>Beans</u>
SEPT	222-226	POA	POA
NOV	224-228	POA	POA
JAN	226-230	POA	POA
MAR	228-232	POA	POA

Currency

	<u>Last wk</u>	<u>Today</u>	<u>+/-</u>
£/\$	2.0178	0.6770	-1.341
Euro/£	0.6781	2.0216	1.344
Euro/\$	1.3700	1.3690	-0.001

LDN Wheat FUTURES

	<u>Last wk</u>	<u>Today</u>	<u>+/-</u>
Nov-07	181.00	180.00	-1.00
May-08	185.00	184.00	-1.00
Nov-08	140.00	131.00	-9.00
Nov-09	138.00	125.00	-13.00

Pulses: Good interest to buy all pulses at the moment with little being sold. Yields are still varied; but overall disappointing so far, although still a lot of bean crops to be harvested or sampled. French bean quality is said to be superior to UK crop and therefore, early shipments to Middle East should be shipped from France. It is rumoured that a shipment of French peas will be arriving in the UK this week in an effort to supply the market with little coming from farm. Canadian peas are nearly competitive and no doubt, will be bought sooner or later. Prices are on application when growers decide to sell but remain firm.

Oats: With cereal prices gaining or losing up to £10 per day, it only stops everybody from trading. That's good for nobody; and although oats have done reasonably well apart from lower than normal bushel weights in the south, all oats will be used in some form. As some compounders look to take the really low bushel oats and most millers taking fallbacks from 50 kgs, if growers are patient, oats will find homes. Commercial prices are firm and albeit not as good, as the contracted oats at the moment do want consideration. Buy backs are still available for 08 crop.

Seed: The seed market is dominated by failed germinations as the full impact of the harvest conditions hits us, which is leading to a dramatic reduction in certified seed being available - Einstein, Humber, Gladiator & Oakley have been badly hit and in some cases we will fail to meet the order book and will be in contact soonest with those farmers concerned.

Seed Contracts - we have most wheat and barley varieties to offer for seed contracting Harvest 08.

Processing - whilst flat out on wheats we will return to barley and oats around the 17/18th of the month - supplies again are very tight so do talk to us soonest.