

Weekly Report September 29th 2006

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Feed Wheat:

Firmer prices across the world as the Australian Wheat Board cut their production estimate to 12-15Mmt, this is the lowest estimate we've seen so far. Argentina's production estimate has also been cut from 14.5mmt to 13mmt. Drought in the southern hemisphere has been cause of the lower production estimates as a consequence the US market has strengthened at the end of this week. In the EU and UK prices have remained high, steadily tracking the US. In addition to the Australian production estimate, rumours over the quality of Black Sea wheat and importers potentially looking elsewhere have helped the market stay firm. The export market has remained quiet for the moment - the latest price rises could be putting potential customers off.

Indicative Ex farm Prices - £/mt

	Fd Wht (Assured)	Fd Bly (Assured)	Gp1 MW prem
NOV	83-86	80-82	9 to 18
JAN	85-87	82-84	9 to 18
MAR	87-90	84-86	9 to 18
MAY	89-92	86-88	9 to 18
	OSR	Peas	Beans
OCT	161-162	POA	
NOV	163-165	POA	82.0
JAN	165-167	POA	84.0
MAR	167-169	POA	86.0
MAY	169-171	POA	88.0

Milling Wheat:

Consumers have sufficient pre-Christmas cover to try to squeeze the premium downwards as farmers come to the market. A volatile feed market has also made millers wary of buying unless they have to.

Currency

	Last wk	Today	+/-
£/\$	1.9050	1.8685	-0.037
Euro/£	0.6732	0.6781	0.005
Euro/\$	1.2826	1.2670	-0.016

Feed Barley:

Again feed barley markets have improved on the back of the wheat market and the malting barley where barley with any spec is finding a malting home.

LDN Wheat FUTURES

	Last wk	Today	+/-
Nov	88.25	88.50	0.25
Jan	90.00	91.25	1.25
Mar	91.75	93.00	1.25
May	93.70	94.75	1.05

Oilseed Rape Market News:

Having spent last week exploring the upper reaches of the current trading range, the market turned its attention to the downside, with the UK market at one stage pushing £2 down before recovering on the back of profit taking and a weaker sterling. A firmer US market at the end of the week and strength in the EU cereals markets has given the market a little more confidence but the current fundamentals remain unchanged, unless the EU crush margins improve we are unlikely to see a substantial improvement in prices. New oil demand is required to galvanise the market from its current torperific state and that possibly requires colder weather to raise the inclusion rate of rape oil in the biodiesel blends

Pulses: Feed beans are still struggling price wise and even the fact that the odd vessels have been loaded has done nothing to increase price. Spring boats are imminent and most people seem to have covered sales now and are not sure whether to sell anymore with the high bruchid problems this year reducing availability. Green peas still in demand with varying prices depending on quality. New crop feed beans are bid £80.

Oats: Good demand from home consumers and export market, although better prices are available for Jan onwards as contract oats are keeping millers fulfilled for now.

Fertiliser

'With the ongoing criminal trial of the men involved with procuring fertiliser as potential bomb making material, it is bringing the whole aspect of fertiliser as a potential explosive and security in agriculture into the public arena.

As you may already be aware, a key strand of the anti terrorism focus is around preventing fertiliser products being obtained thru the agricultural industry and as part of this the Government, in conjunction with its National Counter Terrorism Security Office (NaCTSO) and the agricultural industry, jointly thru the NFU/SNFU and the AIC, have launched a website giving a brief outline of the threats and the simple measures that need to be followed to prevent fertiliser being obtained by terrorists

<http://www.secureyourfertiliser.gov.uk>

This link is also available on the 'Secureyourfertiliser' logos now also on Grainfarmer's fertiliser web pages for you to access.