



HUMPHREY FEEDS



BY APPOINTMENT TO
HER MAJESTY THE QUEEN
MANUFACTURERS AND SUPPLIERS OF POULTRY FEEDS
HUMPHREY FEEDS LTD
WINCHESTER

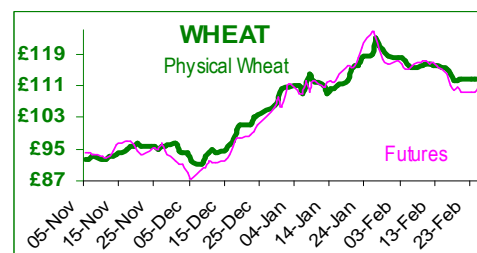
WEEKLY COMMODITY REPORT W/E 20-2-9



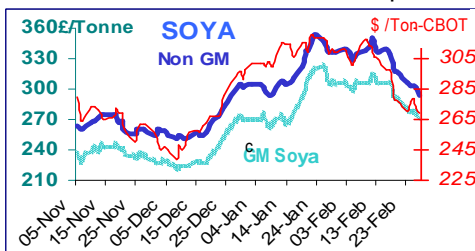
Crisis, what crisis? In the 1932 Depression US GDP fell by 13%. In 2007 US GDP rose by 2%, 1.5% in 2008 and probably -0.3% in 2009. We have reached the conclusion that currency rates in the credit-crunch era, are determined by who has the worst news (housing, GDP, manufacturing, employment, inflation, number of banks in A&E), but the \$ has the upper hand at the moment due to the Obama honeymoon. As the UK psyche is the most pessimistic outlook in the world, our currency is plumbing the depths. In a desperate attempt to find more

revenue, the UK government has persuaded the EU to focus on tax havens. Everyone has one - surely? The UK has the Channel Islands, Isle of Man & British Virgin Islands, France-Monaco, Germany-Lichtenstein, Netherlands-Antilles, Italy-San Marino. Andorra is available for the EU locals, and Switzerland and Singapore for the Martini jet set.

Currency has caused UK wheat exports to slow, forcing exporters to sell surplus wheat stocks, and prices have come down £10/tonne. So wheat exports should be slow for February and March – what happens to currency/exports after that is anyone's guess. In terms of going forward into new crop, the forward monthly carry should be about £1, but the carry is too heavy, so everyone is buying spot. At this rate, it pays the farmer to carry old crop into next year. The dynamics are too complicated: in theory there is plenty of old crop wheat, but the exporters are ready and waiting if currency falls; Manchester is still working at half-cock; and Glencore/Ensus is threatening to start-up in July. Will that use up all the old crop? Is next years exportable surplus already used up in these two massive factories? DEEFRA reckon 14% less planting; others 6%. Will supplies be tight next year? Is China telling the truth about its problems and stocks? Answers in next weeks episode of the magic roundabout, says Dougal.



We were told at a conference last week, that 50% of the working population in England is employed by the government (62% in Scotland). If this is true, then those of us in the private sector have to work twice as hard? If the UK was a restaurant, there would be a public servant for every private sector diner? If 50% of the population, and most of our MPs have never had commercial experience, it is no wonder that there is so much legislation dedicated to putting UK business out-of-business (Sow stalls, Pesticide Directive, Cage ban 2012, etc). Anyone yet figured out where all the eggs are going to come from in 2012? The salmonella zone?



Argentina. Partial agreements have been made on wheat; milk and meat, but not on soya and cereal exports. The problem is that soya and grain constitutes 10% of all tax income received by the government, and they can't afford to give it up. Soya prices have been slightly less volatile this week, but China is a reseller of

soya; South America is a hotbed of unease and farmers are not selling, with South American crushing plants empty.



Happy as Larry! Just who was Larry? Apparently Larry Foley – a successful Australian bare-knuckle fighter won £1000 in his last fight in the 1870s and retired, aged 32. The phrase first appears as "We would be as happy as Larry if it were not for the rats". And talking of rats, we spotted a bonzer rat (you can just hear Colin saying it!) this week. This bamboo rat weighed 3 kgs, had a 12-inch tail, & was caught by Mr Xian last weekend in the city of Fuzhou.



Regards
Paul Poornan & Martin Humphrey
Humphrey Feeds Ltd

DDI 01962 764522
Mobile 07785 222279
Fax: 0871 7146533

Feed Order No: 01962 764510

feedsales@humphreyfeeds.com



HUMPHREY FEEDS

Hazeley Road, Twyford, Winchester, Hants SO21 1QA
Feed Sales 01962 764510 Fax 01962 764511 Tel 01962 764500
www.humphreyfeeds.com Registered No.884405

