

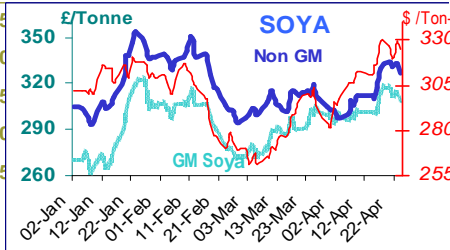
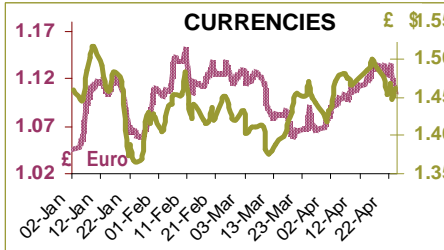


HUMPHREY FEEDS



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

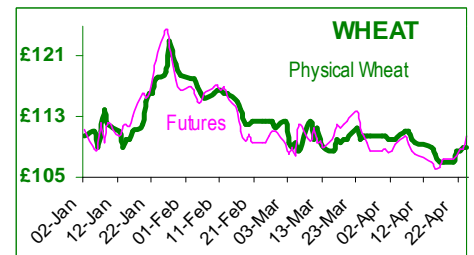
## WEEKLY COMMODITY REPORT W/E 24-4-9



As a buyer, you know you are in deep doo doo when you see wheat or soya as headlines in the national press. Last Friday the FT blared 'Soyabean prices blossom to a six-month high'. Blossom? [rage slowly building] BLOSSOM!! £328 blossoming quid! [Deep Breath and Sigh]. On the bright

side, blossom inherently means that it will only last for a short period of time. However the funds have been piling into soya futures of late. In \$-terms soya beans are \$10.39/b and in July last year it peaked at \$16.50 – in today's terms that would mean Non-GM hipro at £506/tonne! Argentina has cut its estimated soya production down by 20% to 37mt due to drought and pests. China is still buying (stockpiling) both US and Brazilian soya, and traders predict further price rises to 'ration' demand. Argentina's President Cristina Fernandez brought forward congressional elections by four months to June 28, allegedly in an attempt to stay in power. The effects of the credit crunch are only just starting in Argentina, and has yet to see the massive rises in unemployment and banking turmoil seen in other countries.

The wheat market stirred into action this week, partially due to Frontier's desperate attempts to fill a boat at Southampton which messed up the local markets; and partially due to currency. Why currency? Well I could give you £175bn reasons. At the moment, in terms of price movement, anything could happen – so once again I am not a buyer, but a gambler forced to play roulette with my fellow playmates Messrs *Bear & Bull*.



Bear: 'there's plenty of old crop'.

Bull: 'We've exported it all, and there will be a lower crop next year'.

Bear: 'the surplus of old crop will be pushed into next year and depress prices'.

Bull: 'Ah, but Ensus will consume 1.1mt of next year's crop'.

Bear: 'Yes but all the biofuel by-products will reduce wheat demand'.

My attention wanders; I recall an old Dave Allen joke, spilling my whisky whilst falling off my stool. The EU Central Bank president drank too much saki this week and told reporters that the bank may cut its key interest rate by 25 basis points to a record-low 1.0% in May, and may even consider QE.

Politicians are really slow off the mark, but they're getting there. The G8 (Canada, France, Germany, Italy, Japan, Russia, UK & USA) announced that 'without a doubling of spending by 2050, the global food crisis will become structural'. Today the population is 6.5bn, in 2050 it will be 9bn. [I wonder how long it will take them to admit that using food to make fuel is not a good idea?]. China has already responded to the food shortages first seen in 2007, and by increasing its agricultural budget (27% in 2007, another 38% in 2008, and a further 20% this year), expects to remain self-sufficient in rice, wheat and maize until 2020. China foresees that water and fertile land will be its main limiting factors. It will never be self-sufficient in soya, and will remain the world's largest importer of soya.

The Japanese have a thing about cherry blossom which symbolises feminine beauty and love. Hanami festivals have been popular since the 3rd century AD where people admire the beauty of the sakura (cherry tree) blossom at parks, shrines, and temples from January to April. The height of beauty is thought to be when the petals fall like snowflakes—symbolic of the clouds and the rain [the Censor prevents me from *explaining* further]. Talking of things Japanese – the banks have now withdrawn Ninja mortgages. Ninja? No Income, No Job, no Assets.



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](mailto: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](http://www.humphreyfeeds.com)

Registered No.884405

