

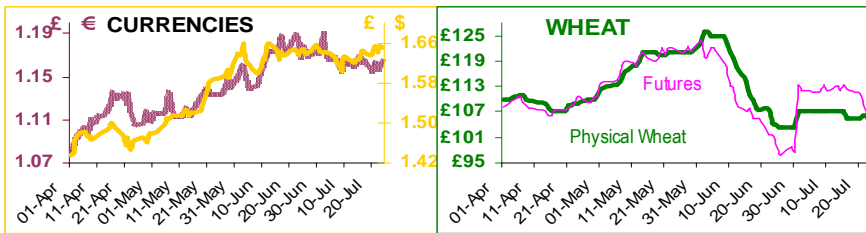


HUMPHREY FEEDS



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

WEEKLY COMMODITY REPORT W/E 24-7-9



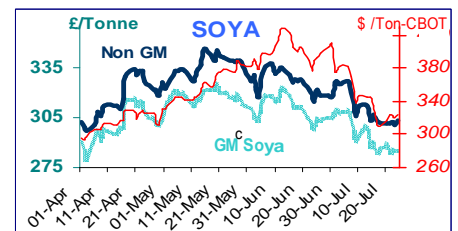
Wheat stayed slumped in bed, grumpy and bored, watching TV all this week, as it has done the last three weeks; until Wednesday, when wheat fell out of bed with a thump. November prices fell £3.25 to £106.50. Wheat sat up, nursing a black eye. Where did that come from? November

wheat closed at £104 on 5th December 2008, so technically, it is only £2.50 off the previous bottom. In general, there has been a total absence of buyers and sellers in the physical market, as sellers don't want to sell at these prices and buyers wait for the harvest. UK wheat stocks are normally about 1.9mt; this year they are about 2.6mt which is weighing down the market, and filling many of the futures stores to bursting. We have already had phone calls asking if we could take barley – the harvest has started and some farmers do not have the capacity to store it. (Presumably the barn is full of unsold wheat!). We do have concerns over the mycotoxin risk associated with damp wheat being stored for more than a year; and therefore to protect you (and us) we have told our suppliers that we will only accept dry new crop wheat from August 14th.



In the USA the sun continues to shine brightly, and buyers show off their new Ray-Bans which filter out all the bad news. So buyers are now completely immune to weather threats (El Nino), worries about the devaluing \$, Congressional hearings on speculation limits, the impending shortage of soya and the recent Chinese antics. The Chinese announced that they were going to sell a chunk of their strategic soya stocks. Prices plummeted. The Chinese bought more soya – at

the lower prices. And then just because they said they would, they held an auction offering 500,000t of soya at \$50/tonne above market prices. Demand for US beans over the next 4 months is likely be a record, and August will be the critical month. We expect the Chinese to corner the market on soya, then make a killing. Old crop soyabean sales were 320,000mt last week - double the prior 4-week average, of which China bought half.



Maize is a mess. The French cannot export because they are being undercut by the Hungarians. The USDA announced that they think they got their sums wrong in their June 30th report on maize plantings (the whole trade knew they had)- they said 87m acres – 3m more than the trade average guesstimate, and will shortly revise the numbers (Aug 12th). This probably means that the difference will be soya acreage – but they are not going to bother revising that.



Chinese 1000 year old eggs are a delicacy in the Far East. They are really 100-day old duck eggs preserved in ashes, lime, tea and salt. The egg white turns gelatinous and amber in colour; the yolk becomes dark green and creamy with a strong smell of sulphur and ammonia.



Ducking ducks! Cherry Valley are hosting the inaugural Great Yorkshire Duck race www.thegreatyorkshireduckrace.co.uk down a 1km stretch of water – a world record attempt that leaves me totally confused. Apparently if you buy a duck from Asda it has a number printed on it to enter the race. Are they racing real ducks, plastic ducks or dead ducks? Oh Duck! Answers on a postcard please.

Regards

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