

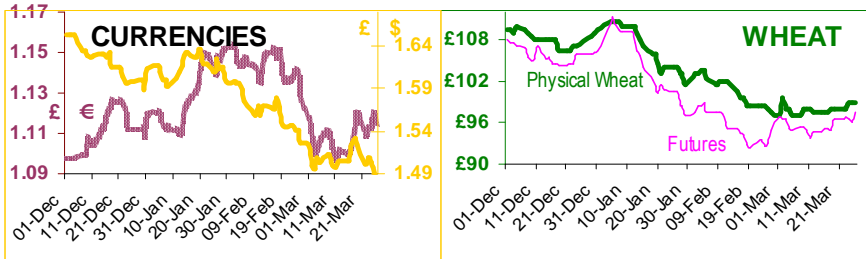


HUMPHREY FEEDS

WEEKLY COMMODITY REPORT W/E 26-3-10



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



An interesting week for currency, the UK budget cut no international ice and fell against a number of currencies – not including the Euro, which is weakening now a solution to the Greek problem has been determined, although frankly I would not give them £10 until they are capable of collecting taxes from their citizens!

May Wheat (futures) hit a low mid-March at

about £93 since when it has lifted about £3. However there is still a plentiful supply of wheat in the barns, and plenty growing in the fields, it is difficult to be bullish about this market. Black Sea countries have recently increased their prices – so the UK must now be one of the cheapest suppliers – apparently 20,000 tonne has been exported to the Thailand, usually the preserve of Australian exports, so we must be really cheap – but the fact that UK wheat has to go so far to find buyers shows the state of the international grain markets.

Two of the major suppliers of soya to the south of England have run out of soya to sell. Their stocks have either been sold, or are being withheld to sell at even higher prices later. The next soya ships are due to arrive in Europe on April 19th, so if you need soya on April 18th, goodness knows what the price will be? £350/tonne? more? £400/tonne? The problem is that no one wanted to be long of soya with such a price inverse (price drop) looming, and some of the bigger users have been buying spot all winter; so with little or no forward sales, the importers were unwilling to gamble on bringing in expensive soya which they might not be able to sell, or would have to sell at a thumping loss when the new crop material finally becomes available.

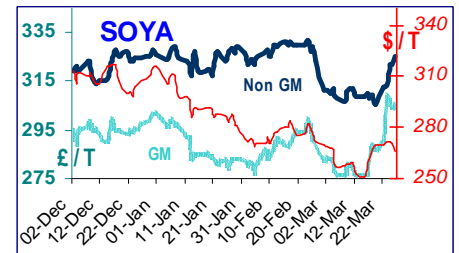
With such a premium for spot material, and discount for forward soya, expect the spot premium to roll forward. One way the market does this is for dock-workers to go on strike in South American ports, and for there to be logistical problems at ports, whether this be 30 mile queues of lorries waiting to disgorge their soya, or traffic jams of ships waiting to load.

Remember you heard that here first – but you did not, it was the same last year, and the year before that, and....

Now there is only one seller of GM soya, and no sellers of NonGM soya. If you have not bought it forward on contract – tough, use something else. But

as one feed compounder recently and eloquently explained, there is no cost-effective substitute for soya.

All the other proteins, sunflower, rapeseed, fishmeal have risen too, and that includes the amino acids lysine, methionine and threonine [strange that my spellchecker wanted to correct this to heroine!]. Fishmeal is in short supply because global catches have been low, and the situation has been exacerbated by the Chilean earthquake which has destroyed many fish processing factories, and many of the smaller, artisan ships. Chile seems to supply about 20% of the world's fishmeal.



It was revealed this week that quasi US academics with nothing better to do have analysed 52 of the most famous paintings of the Last Supper painted between 1000 and 2000 -- and discovered that, the portions of food placed before Jesus and his disciples grew astonishingly. Over a thousand years, the size of the main dish progressively grew by 69.2 per cent, plate size by 65.6 percent and bread size by 23.1 percent, they found. The growing size reflects the success of agriculture over the ages, the researchers said. All this from the 'Super-size me nation' No not a surprise really!

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

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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

