

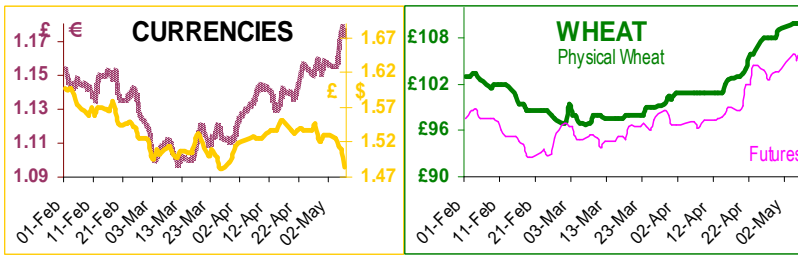


HUMPHREY FEEDS

WEEKLY COMMODITY REPORT W/E 7-5-10



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

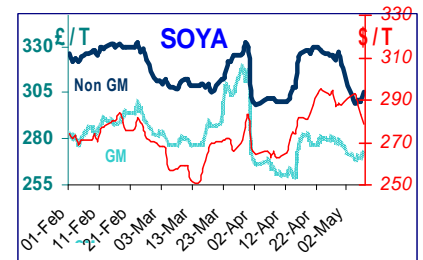


The weakening € vs \$, which hit a 1-year low this week due to the 'Greek situation', makes EU wheat exports competitive in Southern Europe. The EU exported 14.7mt of wheat in the 43 weeks of this marketing year (2009-10). July futures wheat has hovered around £105 for the past week, however new crop's key marker, November futures has lifted over

£1. In general terms a firmer \$ is bearish for US commodity prices as funds believe that export sales are made more difficult. This week has been all politics: Greece, Germany; and - oh yes! - somebody said something about hanging all the politicians later this week? Not sure what that's about, but we may find out by next week ;)

US maize plantings are at 68%, and soya is 15%; both of which are well ahead of normal. In recent times, wet weather has limited maize planting, so more soya has been planted. So the bulls were disappointed that the storms this weekend did not cause planting delays. There are no predictions yet of the relative areas planted for maize and soya. The annual Kansas crop inspection circus starts this week, and finishes in Kansas City, Missouri. Confused? Apparently the capital city of the state of Kansas is Topeka, and the capital of Missouri is Kansas City. So why is the capital of Kansas, Kansas City? Answers on a postcard please. Anyway we should get wheat yield estimates later this week. In China, maize prices are trading at record high levels (domestically). The Chinese government is auctioning reserve stocks in order to take some price pressure out of the maize market.

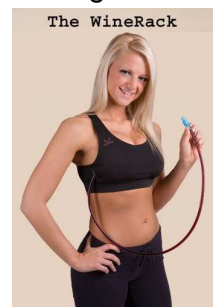
Argentinean grain handlers are threatening strike action at four ports, in a bid to increase their wages – well it is the time of year for them to go on strike! The US believes there is potential for frost this weekend, which may damage young crops. All in all, it's much the same news for soya at this time of the year. The Brazilian soya crop is estimated to be 94% harvested; and farmers have sold about 48%. The waiting time for ships to be loaded in South America is reducing rapidly, and now averages about 10 days. The tight soya supply is expected to ease in June, and the current crisis should be over in July. That's not to say something else won't happen before then!



Last week crude oil was \$85/b; this week started at \$87/b due to concerns about the BP oil leak in the US. Apart from the effect on energy (and cereal) prices, if the authorities stop shipping from sailing through the oil spill, then US exports may be curtailed with obvious knock-on effects. It is remarkable that BP has been so quiet; it may be handling the actual oil spill quite well, but it has apparently forgotten to communicate that fact to the public.



Want a sneaky tipples? For men, the fake beer belly holds [and hides] a 6-pack; for women, a flask bra holds 750ml and enhances the figure. Neither product is recommended for those with already 'ample figures'.



Regards
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