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North Market Report

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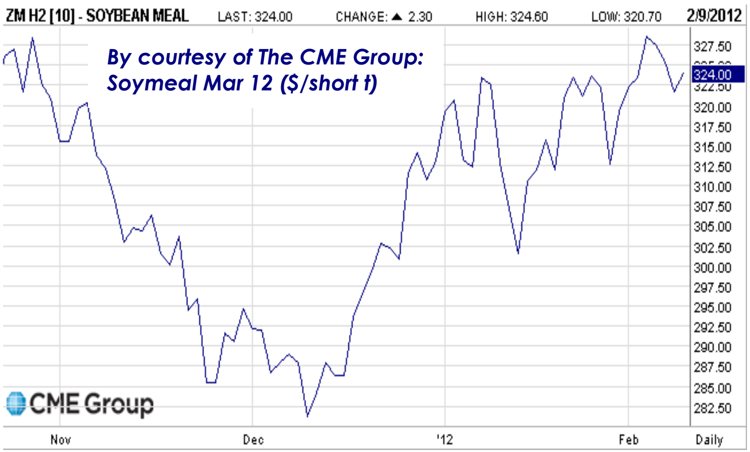
DRY FEEDS – VOLATILE WEATHER MARKET & USDA REPORT OUT



- **Soymeal:** Soymeal futures have fallen a little over the last week with improved rainfalls in South America giving the weather market a bit of a breather. The USDA report provided no major surprises with the Brazilian crop reduced by 2MMT and the Argentinean crop reduced by 2.5MMT. Market expectations were for a bigger reduction in both crops after the severe dry weather, so monitoring the rainfall over the coming weeks will be important. If favourable weather continues we may see ideas on the crop improving. Anticipated Chinese imports were cut by 1MMT yet the USDA export figures still look high with current shipments to date 30% down on last year. The delay to the start of the Brazilian harvest has caused a backlog at the ports with some 2.8MMT of beans waiting to be loaded, compared with 0.3MMT last year. This has helped support price levels with the nearby tightness pushing the price up at source and it has followed in to the future markets. Until we see this backlog clear it will continue to support prices but as has been the case for months, the Eurozone crisis can create dips in the market. Only today we see Greece announce they agreed a package of austerity measures to obtain their bailout, only to be told it still isn't enough and no agreement has been made. We maintain the recommendation of 25% summer cover, although given the recent rises, we recommend close contact with your feed supplier to identify the dips to do so.

- **Rapemeal/Distillers:** Nearby shortness of Rape meal has been the real story this week, with spot prices increasing day by day as the "nearly sold out" signs appeared at all three crush plants in the UK. Prices for summer and beyond are relatively unchanged in the week but prices for the rest of winter have seen an increase. The direction of Hipro Soya will continue to influence rape meal going forward, but it will have limited impact on Feb-Apr prices due the lack of supply. The severe cold weather throughout Europe is creating real concern of winter kill in the rape crop. Much will depend on the level of snow cover which is being heavily debated within the market. Distillers remain relatively uncompetitive nearby, but there is some interest developing in the discount positions of June onwards.

- **Wheat:** The announcement by Russia that they see no need to restrict exports at this time has stalled the rises in Wheat futures we have seen over the past weeks with future levels currently trading at the same level as the beginning of the week. The USDA has just released a report which again raised world production by 1.3mmt and world stocks by 3mmt, although this mainly in India and Kazakhstan and is unlikely to heavily influence the

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market. We remain in a weather market and the freezing temperatures in key growing areas are supporting the market at present and it will be the outcome of this cold period that will provide direction to the markets. It's far too early to gauge the extent of the damage but it gives the markets a story to trade so volatility is likely to continue.

- **Fibres/Energies:** The increase in wheat futures has seen Sweetstarch increase to £166/t ex for January – April with the possibility of summer contracts at a similar level. Wheatfeed levels have increased with Pellets at £138 ex Manchester and ex Midlands at £132/t May-September, whilst at present there forward maize meal prices have been withdrawn. Soya hulls have fallen a little to £134 ex and are now available at this level through to September.

MOIST FEEDS

- **Brewers Grains (DM 24%, CP 24, ME 11.7):** Sold out at present for the winter.
- **Pressed Pulp (DM 27%, CP 9, ME 13):** Spot loads available until 24th Feb, contact the office for details.
- **C☆ Traffordgold (DM 50%, CP 21, ME 13.4):** Odd spot loads available. Contact the office for details.
- **Vitagold (DM 35%, CP 36, ME 14.5):** Withdrawn

BEST BUYS: Sweetstarch Jan-Apr, Soya Hulls Feb-Sept, Pressed Pulp

Ex Port Guide Prices (price subject to change)

	January - April 12					Asa May - October 12					November – January 13				
	Liverpool	Hull	South Humber	Erith	Manchester	Liverpool	Hull	South Humber	Erith	Manchester	Liverpool	Hull	South Humber	Erith	Manchester
HiPro Soya	276	273	272			268	268	268			275	274	274		
Maize Gluten	180		178			W/D		w/d							
Palm Kernel	115		125			117		125							
Citrus Pulp Pellets	144					145									
Soya Hulls	137		140			139		137			142				
Rape Meal	184	178		174		160	157		153		159	156		153	
Wheatfeed Pellets			POA		POA			POA		POA			POA		POA

Currency: £/$ 1.5818 £/€ 1.1947

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