

Your guide to forward contracting straights and blends

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Number: 105

Date: 23rd January 2012

Currency: £/\$ 1.5542 £/€ 1.2028

Straights	Jan 2012	Feb 2012	Mar/April 2012	May/Oct 2012	Nov/April 2012/13	Chg	Comments
Hipro Soya	£297.00	£297.00	£297.00	£290.00	£295.00	↑	Prices are to be used as a guide only and are subject to daily market volatility For an up to date firm quote for your load size and destination please contact us
Argy Soya	£287.00	£287.00	£287.00	£2817.00		↑	
Non GM Hipro				£341.00		↑	
Rapeseed Meal	£194.00	£194.00	£187.00	May/Jul £181	Aug/Oct £171	↓↑	
Maize Gluten	£200.00	£200.00	POA	N/A		↑	
Milurex BE	£207.00	£207.00	£206.00			→	
Citrus	£184.00	£182.00	£182.00	£182.00		→	
Imp Sugar beet 10mm	£186.00	£186.00	£188.00	£190.00		→	
Soya Hulls	£166.00	£166.00	£167.00	£164.00		↑	
Wheat Distillers	£208.00	£207.00	£205.00	£194.00	£192.00	→	
Palm Kernel Expeller	£139.00	£139.00	£139.00	£136.00		↓	

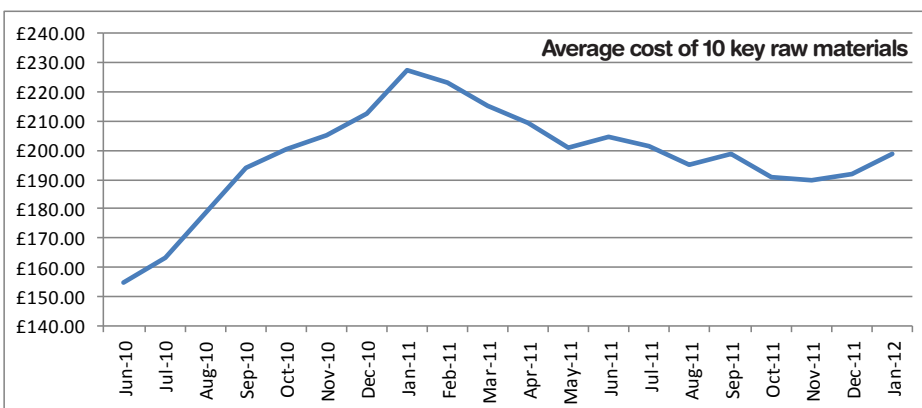
These prices are 10 - 12 tonne loads within a 40 mile radius of Plymouth and are to be used as a guide only. Prices are subject to daily change and therefore cannot be carried overnight.

The world view

Prices are still very volatile but the net effect over the last couple of weeks is unfortunately an upward trend. The two main drivers still being weather condition scares in South America and spot demand across Europe.

Although we have had some rain in South America it has not been enough to alleviate the scares that the potential yields may yet be reduced further. However the crop condition is still reasonably good so further rain could still turn the crop around. Even with recent drop in estimated tonnage we need to put it into perspective as we could still see the third largest crop on record so if Chinese demand remains low as they continue to consume their own stocks we could still see world buffer stocks increase.

Low levels of cover in Europe are also causing spot volatility as shippers have not risked covering to forecast through fears of reduced uptake. This has lead to a few supply concerns as large volumes are traded to bring purchases up to meet the recent increase in demand. It is unlikely that we will see any discounts over the next couple of months



while this demand continues so our advice would be to at least cover your requirements till the end of April

Recent price increases on the spot market have unfortunately pulled the forward markets up with it. Although we honestly believe that prices will ease off again when demand drops at least some cover for the summer and next winter may be prudent as we are still looking at a huge discount to the peak prices of January /February last year.

Soya

Soya prices have continued to firm over yield concerns in South America as the dry weather continues, although a little rain last week did help. If further timely rains do come again then we could see prices ease off again but there is nothing forthcoming in the near future, and we do need to keep an eye on China as they will at some stage come in and start buying to restock their buffer stocks. Even with recent increases prices are still considerably less than the last 18 month average so we still recommend taking some cover for the next 12 months at what is around £45 below the peak of January 2011, but may be shrewd to only take around 25% at this age.

Sugarbeet

Sugarbeet supplies still remain OK and it is now unlikely that we will see the severe cold weather we had last winter which destroyed a large percentage of the beet. Prices remain fairly consistent and the values are now more in line with alternatives, but still consider Soya Hulls as a possible fibre alternative. This year global stocks and supply of cereals are good and this should put producers and shippers under a little bit of pressure and help keep prices in check.

Rape Seed Meal

Rape Seed Meal prices remain firm in the near by positions purely down to increased spot demand, but the supply chain has improved over the last couple of weeks so longer term we are seeing reasonable discounts again. As we are likely to see prices remaining firm for the next couple of months it would be worth taking cover for any additional requirements for this winter.

Soya Hulls

Soya Hulls have firmed along with Soya on concerns of reduced Soya bean yields as well as recent increase in demand. Again may be worth leaving the summer alone for the short term but we suggest cover all of your requirements to the end of April.

Maize Gluten and Maize Distillers

Maize Gluten and Maize Distillers is now becoming a major concern for spot and going forward. Unless we see a resolution and Europe agree to accept the further GM modification in U.S Maize then we are likely to see current stock run out by the end of this winter and with home produced being a fair premium you may need to look for more cost effective options, such as Wheat Distillers and Rape.

Wheat Distillers

Wheat Distillers stocks are becoming very tight due to lack of production so again if you still need to take some cover then I would do it sooner than later, but things are looking up for the summer as we could see both the Vivirgo and Ensis ethanol plants up and running again as lower wheat prices are making it look more viable, so this could give us a cost effective option to Maize Distillers.

Summary

In Summary although we've seen prices firm over the last week or so you still have the opportunity to lock in the rest of this winter's requirements as well as a percentage of forward raw material prices at well below the peaks of last winter so covering the rest of this winter and a percentage of forward cover is a must so you can lock in those savings, with next summer and even next winter should be a consideration as we need to remember that World prices are not coming down because we need them to and we could easily see a sudden jump if outside influences change.

If your current contract is due to expire or if you require any additional tonnage it is vital that you contact us for a quote as we will not be beaten on price, quality and performance. With performance being the key word, we challenge anyone to supply a ration that outperforms our current range of CF Duchy Blends!