



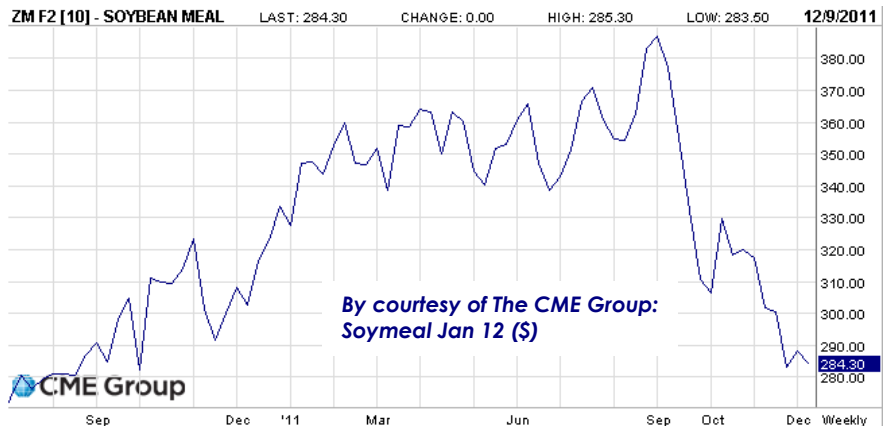
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North Market Report

DRY FEEDS – ONGOING ECONOMIC CONCERNS & TIGHT NEARBY RAPEMEAL SUPPLY

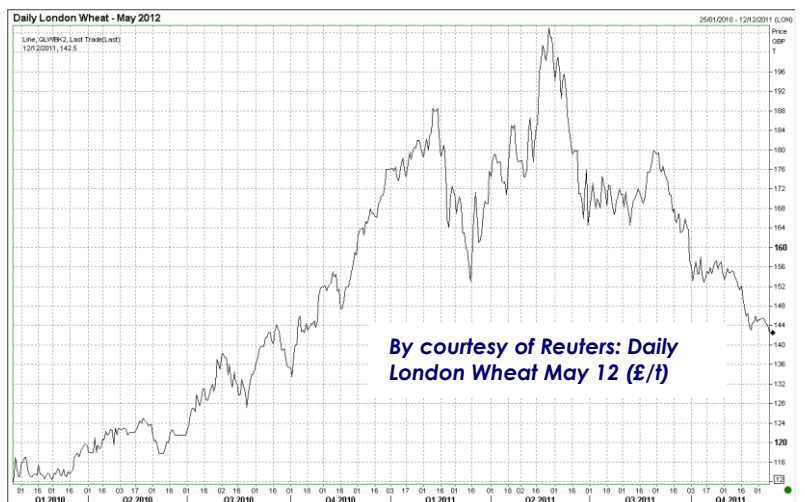
- Soymeal:** Many commodities including soymeal are continuing to follow the macroeconomic picture, with no resolution on European sovereign debt reached and rumours of a slowdown in the Chinese manufacturing sector. We can expect these stories to continue for some time to come. Last Friday's EU Summit was a long way from finding a resolution and therefore did not do anything to support any upwards market movement. The divisions are now apparent between certain European member states and some countries that initially agreed to new budgetary rules are rumoured to potentially be considering a change to that decision. This week soymeal has generally remained flat with small fluctuations in Dollar terms. Rumours of dry weather in South America appear to be



gaining strength as reports circulate and no fresh rains appear on the horizon. Soymeal in the Asa May–October position is continuing to create interest and levels are at over twelve month lows. It could therefore be well worth considering some percentage cover for summer 2012.

- Rapemeal/Distillers:** Rapemeal levels have moved up significantly over the last week in the December / January position. This is due to a spot demand hike on the Lower Rhine and at UK crushes. The European supply and demand situation has moved over the last week with a large carryout now being described as a neutral position. Rapemeal levels, as with most commodities, are still largely driven by the macro economic situation. It will be quite some time until issues regarding the European sovereign debt are resolved. Perhaps the biggest question is how much close scrutiny traders and the media keep on the situation over the coming months or even years. The May–Oct rapemeal / ProtoTec position may well be worth considering, with interest building for this period. Distillers continue to have tight supply and therefore inflated prices; at present it is difficult to see this changing until either Ensus re-opens or Vivergo starts production next year.

- Wheat:** Wheat markets have remained relatively flat this week with little new news or market activity that could impact on levels. Feed demand remains in the nearby positions whilst buyers remain relatively disinterested in current wheat levels. The latest USDA report raised production estimates for this year to levels that would mean global ending stocks will be at levels not seen for over ten years. The European Union's wheat surplus increased over the last month because of export competition, Strategie Grains said, adding this could pull down prices across the bloc in the short-term. Argentine wheat is challenging Black Sea wheat for export business and in some cases winning. On the weather front, South Brazil and Argentina remain dry whilst Australia is still seeing high rainfall, particularly in the east. With the Christmas holidays fast





approaching it could be that the markets will remain relatively quite unless any particular new information comes out.

- **Fibres/Energies:** Sweetstarch and Formula 1 is now tight for pre-Christmas delivery, but can be priced for January-April 12 in the region of £163/t ex store. Soya hulls have moved up in price from last week but still look like a potentially good value fibre source. Maizemeal is sold out for the winter.

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):** Withdrawn
- **C☆ Traffordgold (DM 50%, CP 21, ME 13.4):** Withdrawn
- **Vitagold (DM 35%, CP 36, ME 14.5):** Withdrawn

BEST BUYS: Rapemeal/ProtoTec Aug-Oct 12, HiPro soya Asa May-Oct worth 25% cover

Ex Port Guide Prices (price subject to change)

| | December – January 12 | | | | | February – April 12 | | | | | Asa May – October 12 | | | | | | | |
|------------------------|-----------------------|------|--------|-------|-------|---------------------|-----------|------|--------|-------|----------------------|------------|-----------|------|--------|-------|-------|------------|
| | Liverpool | Hull | Humber | South | Erith | Manchester | Liverpool | Hull | Humber | South | Erith | Manchester | Liverpool | Hull | Humber | South | Erith | Manchester |
| HiPro Soya | 245 | 254 | 247 | | | | 246 | 256 | 247 | | | | 244 | 253 | 246 | | | |
| Maize Gluten | 168 | | 172 | | | | 168 | | 172 | | | | | | | | | |
| Palm Kernel | 129 | | 130 | | | | 129 | | 130 | | | | | | | | | |
| Citrus Pulp Pellets | 158 | | | | | | 159 | | | | | | 159 | | | | | |
| Soya Hulls | 144 | | 143 | | | | 144 | | 143 | | | | 140 | | | | | |
| Rape Meal | 160 | 160 | | 159 | | | 154 | 151 | | 145 | | | 151 | 148 | | | 141 | |
| Wheatfeed Pellets | | | POA | | | POA | | | POA | | | POA | | | POA | | | POA |

Currency: £/\$ 1.5514 £/€ 1.1901

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