

Dear Productivity Commissioners

Wheat Export Marketing Arrangements

The findings from the Productivity Commission do not agree with what is happening in South Australia.

What is happening in South Australia has been well expressed by Malcolm Bartholomaeus in his Callum Downs newsletter. I am enclosing two recent newsletters where he outlines that due to the lack of competition, South Australian farmers are not receiving the prices that other Australian farmers are.

If de-regulation is going to work properly in South Australia, the control of grain marketing by ABB Grain (now Viterro) needs to be examined. If farmers are going to keep growing wheat, and other buyers are going to operate in this State the market needs to be truly de-regulated.

Yours faithfully



S Conlon

23/4/10

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## Commodity News Grain Report

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### Wheat and Canola Futures Update

#### CBOT Wheat Futures

Ex Rate	0.9171	Date		23-Mar-10	
Contract	Close	Daily Change	Weekly Change	A\$ Value	Weekly Change
Spot Proview	486.7	+3.9	+9.3	\$194.76	+\$2.88
May 2010	486.5	+2.75	+7.25	\$194.68	+\$2.06
Dec 2010	540.75	+2.75	+5.75	\$216.39	+\$1.36

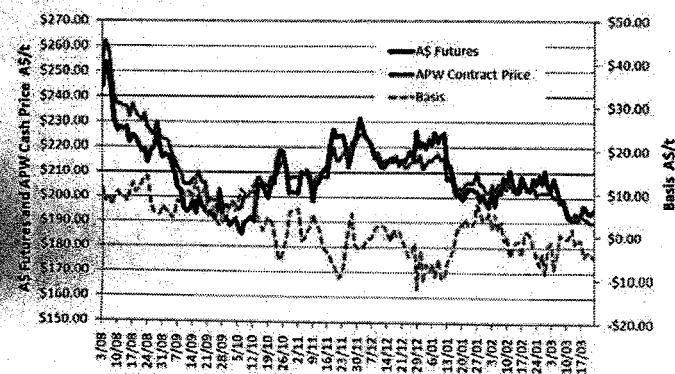
#### ASX Futures

Contract	Delivery	This Week	Last Week	Change
Milling Wht	Jan 11	\$213.50	\$219.00	-\$5.50
WA Wheat	Jan 11	\$212.50	\$217.00	-\$4.50
Feed Barley	Jan 11	\$157.50	\$162.00	-\$4.50

#### Export Wheat and Canola Basis Levels - Pt Adelaide

	Current 2009 Cash Price	Current A\$ Futures	Current Basis
<b>APW Wheat Basis Levels</b>			
Spot Futures	\$190.00	\$194.68	-\$4.68
Swap Expiry	\$190.00	\$222.04	-\$32.04
Dec 10 Futures	\$190.00	\$216.39	-\$26.93
<b>Canola Basis Levels</b>			
May 10 Futures	\$405.00	\$407.94	-\$2.94

A\$ Futures and APW Contract Prices 2009



#### 2009 Canola May 2010 CAN\$381.10 (CAN\$3.30)

Canola	Pt Adel	Pt Lincoln	Geelong	Portland	Newcastle	Pt Kembla
Viterra	\$404.00	\$404.00	\$391.00	\$391.00	\$406.00	\$406.00
AWB	\$401.00		\$397.00	\$397.00	\$419.00	\$418.00
Cargill	\$405.00	\$403.00		\$406.00		
CBH	\$400.00	\$398.00	\$395.00	\$395.00	\$410.00	\$410.00
EP Gr/SQP						
Cent State	\$400.00	\$400.00				
G Corp	\$402.00	\$398.00	\$407.00	\$405.00		
ETG	\$400.00	\$400.00	\$398.00	\$390.00		
Glencore	\$401.00	\$401.00	\$399.00	\$395.00	\$410.00	\$405.00
Best	\$405.00	\$404.00	\$407.00	\$406.00	\$419.00	\$418.00
Last Wk	\$400.00	\$400.00	\$400.00	\$400.00	\$415.00	\$414.00
Change	\$5.00	\$4.00	\$7.00	\$6.00	\$4.00	\$4.00

Apologies for being a bit late this week. I got caught with a four hour flight to Perth before I had finished this week's report. Am on the last leg of the annual talkfest which has taken me from Geraldton to Dalby and back to Geraldton over 5 weeks. Apart from a session at Loxton last week, SA is the only state I am not covering this year, although I will be at Frances in mid April.

#### Current Recommendations

Not a lot this week apart from adding to sales of ASW in the Pt Lincoln Zone while prices are high relative to other ports and relative to APW.

Clients who get the Futures Report should continue to act on the recommendations for both old and new season wheat while opportunities persist.

#### Overnight Market News (Sources: Dow Jones, Agriculture Online, FutureSource, Bloomberg, CBOT)

##### Wheat

- Wheat lifted by 2.75 USc/bu overnight Monday night.
- Short covering and buying from funds provided support.
- Wheat also gained on corn.
- Floods are peaking in spring wheat areas of the US this week and will peak next week in Canada.
- Export inspections came in at 18.8 mill bu above the 14.3 mill bu needed to reach the USDA forecast.
- Turkey is tendering to sell 75,000t of durum and 50,000t of milling wheat.

##### Corn

- Corn fell 3.75 USc/bu on Monday night.
- The flood peaks this year in the corn belt are not as high as last year in some places.
- Dry weather this week may mean that more corn will actually be planted on time than was the case last year.
- Export inspections came in at 41.6 mill bu. They need to average 40.8 mill bu to reach the USDA forecast.

##### Soybeans and Canola

- Soybeans lifted 6.75 USc/bu overnight Monday and canola was up CAN\$3.30/t.
- Support came from a lower dollar and higher crude oil prices.

**Today's Prices** Prices remain below the benchmark averages again this week.

Today's Pt Adelaide Prices Compared to the Averages

	Mar-23	Oct - Feb Av	Jan Mch Av
H1	\$213.00	\$230.37	\$227.00
H2	\$203.00	\$221.17	\$217.90
APW	\$190.00	\$208.75	\$204.25
ASW	\$170.00	\$194.21	\$188.41
Malt Barley	\$195.00	\$184.34	\$189.00
Feed Barley	\$128.00	\$136.14	\$134.40
Canola	\$405.00	\$407.75	\$407.98
Peas	\$225.00	\$251.66	\$243.50
Faba Beans	\$220.00	\$246.33	\$246.43

**Basis Levels** Basis levels have weakened over the last week. Basically cash prices have slid a little against a lift in the A\$ value of US futures. Against spot futures basis has moved from -\$0.88/t last week to -\$4.68/t this week. This is making selling wheat unattractive at the moment in South Australia. The exception is ASW at Pt Lincoln and Pt Giles, where a premium of \$7/t over Adelaide prices is making it one grade to consider selling, as some clients did today. Victorian prices have held up much better, with a \$7/t premium over Adelaide prices for APW today. Basis levels are therefore better for Victorian clients.

**2009/10 Wheat Pools** It's a joke really. Either pool operators are not revising their estimates, or if they are they are being very quiet about it. And why? Because they are coming down. It means that at the time most growers decided to forego cash and go for the pools, they would have been better off sticking with cash despite the marketing efforts from the pool operators (to sell their pools as being the way to go at the time!!), and the "apparent" better returns from the pools.

So far it looks as though Viterra have lowered their pool estimates by \$9/t, and GrainCorp are down another \$5/t. Today AWB were down \$8/t (\$13/t on ASW). I could not find any statements from, Emerald or CBH.

Current Pool ESR's - No Increments

	H1	H2	APW	ASW	AGP
ABB	\$201.90	\$191.90	\$181.90	\$179.90	\$179.90
AWB	\$209.38	\$203.38	\$192.38	\$177.38	\$177.38
Emerald	\$208.77	\$199.77	\$191.77	\$179.77	\$174.77
CBH	\$214.80	\$207.80	\$196.80	\$189.80	\$186.80
GrainCorp	\$210.14	\$205.14	\$196.14	\$186.14	\$173.14

Current Pool ESR's - With Increments

	H1	H2	APW	ASW	AGP
ABB	\$216.40	\$206.40	\$196.40	\$179.90	\$179.90
AWB	\$214.38	\$208.38	\$197.38	\$177.38	\$177.38
Emerald	\$228.27	\$221.27	\$213.27	\$196.27	\$174.77
CBH	\$226.80	\$219.80	\$208.80	\$189.80	\$186.80
GrainCorp	\$214.39	\$209.39	\$200.39	\$186.14	\$173.14

Some traders are quietly smiling at my enthusiasm for the Emerald pool, suggesting that we won't really know how good they are until they wind up their 2008 pool. I agree. Pools for the 2008/09 harvest were hopeless, and pools for this year are falling as expected.

My point about Emerald, is that if you are going to deliver to a pool (not my recommendation), their pools have all the right features, and so far seem to perform relative to other

pools if you get the best out of those pools. For the record, the CBH pool is still the best from 2008/09 in SA, but it was a tiny pool so they might not be able to repeat that this year.

\* **SA Grain Market Shuts Down** The grain market in South Australia, and to a degree in Victoria as well, has simply shut down. It would appear that no-one wants to buy any grain. (The exception is ASW on EP and Pt Giles) Prices are well down on all grains, and even when grain is competitively priced on CLEAR, no-one steps up to buy even though they are apparently paying higher prices on contracts outside of CLEAR.

In fact I would be very surprised if much grain is being bought on any contracts at the moment.

There seem to be a couple of reasons

1. Shipping out of South Australia has ground to a halt for April.
2. Buyers seem hell bent on paying over the odds for the privilege of buying grain in WA and shipping from there.
3. We are also at that point in the year where the domestic market is relatively quiet still, with more than adequate supplies for them to choose from when they do want to get some grain.

\* **SA Shipping** Shipping is down to just 285,000t of wheat and 231,000t of "Other", which would be mainly barley for April.

SA April Shipping Program

	Wheat April	Other April	Total April
Pt Adelaide	100000	35000	135000
Pt Adelaide Inner		35000	35000
Pt Giles	20000	25000	45000
Pt Linc	135000	116000	251000
Thevenard	30000		30000
Walleroo		20000	20000
Total	285000	231000	516000

The bulk of the grain will be shipped by Viterra. Of the rest, 90,000t is probably from pools (Emerald and AWBHF). Basically there is very little competition for cash trade in South Australia for the April shipping program. No-one other than JKI and ABB is shipping non wheat. In other words in the case of barley we can assume that Viterra is it. The only region where there are non Viterra players is Eyre Peninsula. The rest of SA is a Viterra monopoly. It's no wonder the market has died.

SA April Exporters

	Viterra	Emerald	AWBHF	JKI	CBH
Pt Adelaide	135000				
Pt Adelaide Inner	35000				
Pt Giles	45000				
Pt Linc	115000	30000	30000	26000	50000
Thevenard			30000		
Walleroo	20000				
Total	350000	30000	60000	26000	50000
	67.83%	5.81%	11.63%	5.04%	9.69%

One has to ask why other exporters refuse to operate out of South Australia. Is it the arrangements that Viterra have in

place relative to, say, Western Australia that makes SA an unattractive state to operate from?

In SA the penalty for cancelling a ship is \$5/t. In WA the penalty can be almost limitless depending on how much over the standard non refundable booking fee exporters have bid to secure a slot. So, at the moment there is every incentive to pay whatever needs to be paid to keep a shipment in WA. So prices are higher in WA than in SA, and despite that, the exporters will stick to their slots in WA and not move to SA, because to make the move is too expensive for them.

Early in the shipping program Viterra grabbed all the slots and limited the flexibility of the system. In the end they could not use that shipping and they have now cancelled a total of 920,000t from their own program. Trouble is it is now too late to be freeing up the shipping stem for other players.

It's not as though the capacity of our ports is under any strain. After March, Viterra are showing ample capacity for loading vessels right out to October, apart from the second half of April at Pt Lincoln.

Shipping in May is no better, with even less grain booked at this stage, particularly for non wheat shipments.

SA May Shipping Program

	Wheat May	Other May	Total May
Pt Adelaide	55000	55000	110000
Pt Adelaide Inner	41000	75000	116000
Pt Giles	39000		39000
Pt Linc	135000	55000	190000
Thevenard			
Wallaroo	16000		16000
<b>Total</b>	<b>286000</b>	<b>185000</b>	<b>471000</b>

There is a little more competition for Viterra in May, with Glencore stepping up to export wheat from Pt Adelaide and Pt Lincoln. Apart from that, there is little competition to Viterra, and again apart from CBH and Glencore, no non pool shipments from non Viterra exporters either.

SA May Exporters

	ABB	Emerald	AWBHF	Glencore	CBH
Pt Adelaide	110000				
Pt Adelaide Inner	51000			25000	40000
Pt Giles	9000		30000		
Pt Linc	80000	30000		80000	
Thevenard					
Wallaroo	16000				
<b>Total</b>	<b>266000</b>	<b>30000</b>	<b>30000</b>	<b>105000</b>	<b>40000</b>
	56.48%	6.37%	6.37%	22.29%	8.49%

At the end of the day I don't think we (as in the industry or the ACCC) should have allowed different methods of allocating shipping slots to have been used by CBH, ABB and GrainCorp. It is obviously distorting the market with SA growers being affected badly.

AWB, in their pool statement today, certainly point to the "take or pay" shipping arrangements out of WA as being the reason exports are flowing from WA and not from Vic or

SA. Basically SA and Vic growers are the losers and WA the winners out of a flawed deregulation. If all states had the same system of penalties for cancelling shipments, and all were equally as easy to get along with, maybe we would have a more level playing field.

It is all well and good to say that we need a free and competitive market between our export bulk handlers, but there are only four of them basically, with only one in WA, one in SA, one in NSW and two in Vic. Where's the competition?

The end result is that while Viterra may be missing on shipping, does it cost them? I don't think so. It is costing growers via lower prices, and growers and traders via storage fees. If there is a large carryover as a result of a lack of shipping from SA, it will only boost Viterra's bottom line as they ramp up fees to carry grain into the next season. Sure they may have to build more bunkers to cope with the 2010 harvest, but they will have the money to do that from the charges from the 2009 carryover.

**SA Grain Prices Versus Elsewhere** It is apparent that grain prices in SA are now low compared to all other states. In stark contrast, prices in WA are strong, and seem way too strong compared to South Australian prices. Something is amiss. Basically the market is not working, with prices being too high in WA and too low in SA.

Again we ask the question, why? It looks as though WA is the preferred state for exporting from, at the expense of South Australia. The result is prices falling in SA and our market grinding to a halt as exporters fall all over themselves to try and not buy grain in SA while still showing prices to make it look as though they are interested.

The table below compares yesterday's prices around Australia. Note: WA prices are quoted FIS, so I have deducted \$11/t to make them comparable to other track prices.

	Best H1	Best H2	Best APW	Best ASW	Best F1 Barley
Newcastle		\$217.00	\$208.00	\$201.00	\$202.00
Pt Kembla		\$219.00	\$213.00	\$210.00	
Geelong	\$220.00	\$205.00	\$197.00	\$187.00	\$144.00
Portland	\$214.00	\$200.00	\$192.00	\$180.00	\$141.00
<b>Pt Adelaide</b>	<b>\$214.00</b>	<b>\$204.00</b>	<b>\$190.00</b>	<b>\$171.00</b>	<b>\$129.00</b>
Pt Giles	\$210.00	\$206.00	\$188.00	\$177.00	\$128.00
Wallaroo	\$212.00	\$204.00	\$188.00	\$171.00	\$127.00
Pt Lincoln	\$213.00	\$206.00	\$190.00	\$177.00	\$128.00
Fremantle	\$233.00	\$228.00	\$208.00	\$203.00	\$139.00
Adel/Freo	-\$19.00	-\$24.00	-\$18.00	-\$32.00	-\$10.00

For some reason, in WA they are happy to pay \$18 to \$32/t more for wheat than they are at Pt Adelaide. In the case of APW it is even larger, because WA still works on APW2 (ie min 10% protein). So, they are getting \$208/t for grain that at Pt Adelaide only gets paid \$171/t.

I think the amazing thing about wheat is that while the cash market shows a big gap between WA and SA, the various pools do not reflect the same phenomenon. For example, AWB's EPR for their eastern pool is \$246/t, exactly the same as their WA pool. So it is a cash market thing only,

and does not seem to be related to the value extracted by pool operators.

Of course we always expect WA prices to be better than those of SA and Victoria because of the shipping advantages to markets like Indonesia. However, it is hard to explain a difference of \$32/t in the case of ASW, or even \$18/t in the case of APW.

**ASW Pt Lincoln** The exception in SA is ASW in the Pt Lincoln zone. Any growers with ASW would be well advised to make some sales at current prices which are around \$177/t port basis, which is not much more than a \$12/t discount to APW.

A buyer was also bidding on CLEAR today, without charging the grower the \$2.50/t cost of using CLEAR, making it an ideal time to offload some stocks on that platform as well.

**CLEAR** There is no doubt that Callum Downs clients have been major supporters of CLEAR. The CLEAR site now tells us turnover on the platform. At the moment we are running at 31% of their turnover for this year. Today we accounted for 66.75% of the trades up to 2.30 pm.

CLEAR Turnover 2009 and 2010			
	Total Clear	CD Clients	CD %
Today	1630	1088	66.75%
2010 to date	85725	26595	31.02%
2009	56244	22106	39.30%

A common complaint from growers is that buyers are not trying to buy grain on CLEAR. Today they may need to eat their words.

Grain trying to be bought	1,185,509 tonnes
Grain on Sale	116,417 tonnes

In the Pt Lincoln zone there was a buyer for 5000 t at a price equivalent to \$179/t outside of CLEAR, and buyers of another 107,000t of ASW at a price of \$174/t Pt Lincoln basis. The best price I saw outside of CLEAR today was \$177/t Pt Lincoln basis.

Today our clients sold F1, F2, H1, and ASW on CLEAR, mainly in South Australia.

**CLEAR Pricing** Some grower get a bit scared when they see what the difference is between their offer on CLEAR and what they will finally be paid. This net figure is calculated on CLEAR so that growers can see what they will finally be paid. Some are also concerned about the size of the deductions.

However, you cannot compare the net price that CLEAR shows you against the prices you might get on a contract outside of CLEAR. I in fact tell clients to ignore the calculated net price on CLEAR. It is not helpful in making a marketing decision.

1. The first point is that prices on CLEAR start out very high because they are FIS, so you will get a big deduction up front.

2. There is also an error in the CLEAR system. They include GST in their receival fees, so they are in fact more than \$1/t higher than they should be.
3. They then deduct what is owed as storage fees to Viterra or GrainCorp. The market outside of CLEAR does not do this when posting contract prices.
4. They then deduct GRDC, SAFF, VFF, and PBR levies. The market outside of CLEAR does not do this when they quite a contract price.

Overall, the net price calculated on CLEAR is about \$5.50/t lower than the price I would be quoted from a buyer outside of CLEAR if I did a contract on my GP wheat at Roseworthy.

It tricks some people. I have seen people remove their grain from CLEAR and sell on a contract, "thinking" that they will get \$5/t more. WRONG!!!!

So, I do find the calculated net price on CLEAR to be less than useful in a price comparison basis, but of course very useful for that one simple question - how much will I actually get in my hip pocket? It's just that no-one asks that question when we do a contract with a buyer outside of CLEAR.

**What to Grow This Year** The publication of this year's Gross Margin Booklet from Rural Solutions SA is causing a few comments.

The first thing that I would say is don't rely on their figures. They are basically examples. You should do your own calculations.

One comment to me was that a breakeven price of \$77/t for APW wheat in low rainfall regions is just fanciful. I would agree. Something does not stack up. I think what is more interesting is that in high rainfall regions the breakeven price is \$88/t. That's why growers in supposedly more secure regions of the state tend to go broke faster than people who consider themselves to be in hardluck country!

Back to the costs. I consider Callum Downs to be in the high rainfall region. Rural Solutions tell me that my cash costs per hectare should be around \$308/ha. I don't think they are correct. They are light on fertiliser, and light on chemicals, and light on sowing rates. My direct cropping costs are \$350/ha at least. I then have overhead cash costs (not strictly a part of a gross margin) that amount to \$50 per hectare (council rates are half this and insurance and vehicle regos and admin are the rest).

So, before I can pay myself, service any debt, or replace any machinery, I need \$400 per hectare, or at their assumed yield of 3.5 t/ha, \$114.28/t. So, that is actually my breakeven price for running the business and planting the crop, not the \$88/t they suggest.

Where we go from there will differ from person to person, but if you assume a salary of \$100,000 for the farm family (before paying any tax), debt servicing on \$300,000 of say \$30,000, and machinery replacement averaging \$50,000 per annum (too low?) then the profit over and above the cash

costs needs to be \$180,000. Over a 2000t crop, that is \$90/t. (At 3.5 t/ha it implies a farm size of 571 ha).

So, to be sustainable (ie not just cover cash costs), I think most people need about \$204/t for wheat delivered port (based on \$16/t freight). Even that is probably too low to be honest. Another way of looking at that, in our sort of country, we need a gross margin of \$365/ha to be sustainable.

So, when we get ASW or AGP or Feed grade instead of APW it gets hard. When the yield comes in at 3 t/ha, and not 3.5 t/ha, the price required becomes \$238/t. GP at \$171/t does not make the grade by \$67/t.

All of that is interesting, and will differ from farm to farm. However, the gross margin per hectare required to be sustainable is similar regardless of the crop grown. It is what is needed on average to cover final living costs, tax, debt servicing and machinery replacement.

Here are some of the Gross margins that Rural Solutions have come up with.

SA Gross margins 2010				
	Price	Low Rainfall	Medium Rainfall	High Rainfall
APW Wheat	\$200.00	\$188.00	\$276.00	\$392.00
Durum	\$250.00	\$179.00	\$303.00	\$499.00
Malt Barley	\$180.00	\$154.00	\$226.00	\$324.00
Feed Barley	\$140.00	\$123.00	\$168.00	\$251.00
Lupins	\$260.00	\$63.00	\$193.00	\$292.00
Peas	\$250.00	\$94.00	\$170.00	\$369.00
Faba Beans	\$260.00	\$89.00	\$167.00	\$377.00
Lentils	\$600.00	\$176.00	\$357.00	\$870.00
Canola	\$380.00	\$14.00	\$138.00	\$234.00
Hay	\$125.00	\$63.00	\$100.00	\$153.00
Prime Lambs			\$185.00	\$377.00
Merino Breeders			\$180.00	\$382.00

Source: Farm Gross Margin Guide 2010, Rural Solutions SA

Firstly

1. I think their costs in their GM's are a bit low, particularly in higher rainfall districts.
2. I think their prices are probably on the high side, unless you move to lock them in at the above levels or higher.

However, that aside, it really shows up the problems for 2010. For example, I need a gross margin of \$365/ha. I can get that for wheat, with about \$30/ha to spare. However, if I have feed barley in the system, I am falling short on those acres by \$115/ha. Malt barley, if you can get it, also falls short.

As a throwaway line in an ABC interview in Victoria last week I suggested that we go out and buy a mob of sheep instead of growing crops like feed barley. Maybe it's not such a bad idea if you can find any to buy! Lentils, wheat and durum are the only crops to beat sheep if the above figures can be relied upon.

**Cropping Trends** I think the above table sums it up actually. I think there will be

- A move away from all barley in all districts. No-one can take the risk, although there will be a few counter cyclical people who will buck the trend.
- In SA and Vic I think wheat will be the crop of choice despite the general view that prices are too low.
- Durum growers will back that crop.
- Lentil growers, particularly in SA will go hard on that crop.
- Anyone with a few sheep will stick to them.
- Faba beans and peas will come under pressure simply because prices for the old crop are so low and growers are still holding crop from 2009.

In NSW I think we will see a lot of canola, chickpeas, and cotton. In southern NSW regions similar to SA and Vic, wheat will have to be the main crop, with minimal barley acres.

Think seriously about growing barley. It is actually cheaper to buy it and hold it until the end of the year, than it is to grow it. Buying next year's crop is low risk. Growing it is high risk. Makes no sense to grow feed barley. If you do want exposure to the feed barley market in 2011 then hold this year's crop, or buy feed barley now to hold into 2011. It actually makes more sense than growing it this year.

*Disclaimer: The material contained in this publication is obtained from official or other sources considered reliable and every care is taken to ensure its accuracy. We cannot accept any responsibility for anyone making use of the information or analysis contained in this publication*

## Today's 2010/11 New Season Contract Prices – SA and Vic

APW1	Pt Adel	Wallaaroo	Pt Giles	Pt Linc	Thevenard
Viterra	\$212.00	\$208.00	\$210.00	\$212.00	\$197.00
AWB	\$210.00	\$205.00	\$210.00	\$212.00	\$203.00
Cargill	\$207.00	\$202.00	\$204.00	\$207.00	
CBH					
EP Grain					
AGE	\$208.00	\$204.00	\$206.00	\$208.00	
C State	\$203.00	\$201.00	\$203.00	\$203.00	\$195.00
G'Corp					
Dreyfus					
ETG	\$208.00	\$203.00	\$208.00	\$208.00	\$198.00
Glencore	\$211.00	\$204.00	\$211.00	\$211.00	
Best	\$212.00	\$208.00	\$211.00	\$212.00	\$203.00
Last Wk	\$210.00	\$204.00	\$210.00	\$210.00	\$201.00
Change	\$2.00	\$4.00	\$1.00	\$2.00	\$2.00

F1 Feed	Pt Adel	Wallaaroo	Pt Giles	Pt Linc	Thevenard
Viterra	\$140.00	\$140.00	\$140.00	\$140.00	\$130.00
AWB	\$140.00	\$138.00	\$140.00	\$140.00	\$130.00
Cargill					
CBH					
Dreyfus					
AGE	\$140.00	\$137.00	\$140.00	\$140.00	
SQP					
C State	\$140.00	\$140.00	\$140.00	\$140.00	
GrainCorp					
ETG	\$130.00	\$130.00	\$130.00	\$130.00	
Glencore					
Best	\$140.00	\$140.00	\$140.00	\$140.00	\$130.00
Last Wk	\$145.00	\$145.00	\$145.00	\$145.00	\$135.00
Change	-\$5.00	-\$5.00	-\$5.00	-\$5.00	-\$5.00

Malt Barley	Pt Adel	Wallaaroo	Pt Giles	Pt Linc	Thevenard
Viterra	\$200.00	\$200.00	\$200.00	\$200.00	\$180.00
AWB					
Cargill					
CBH					
Dreyfus					
AGE					
EP Grain					
C State					
GrainCorp					
ETG					
Glencore					
Best	\$200.00	\$200.00	\$200.00	\$200.00	\$180.00
Last Wk	\$200.00	\$200.00	\$200.00	\$200.00	\$180.00
Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Canola	Pt Adel	Pt Lincoln	Geelong	Portland
Viterra	\$424.00	\$424.00	\$424.00	\$424.00
AWB	\$418.00	\$417.00	\$418.00	\$418.00
Cargill	\$423.00	\$423.00	\$423.00	\$423.00
CBH	\$420.00	\$420.00	\$420.00	\$420.00
SQP				
AGE	\$420.00			
EP Grain				
C State	\$420.00	\$420.00	\$420.00	\$420.00
GrainCorp				
ETG	\$423.00	\$423.00	\$423.00	\$423.00
Glencore	\$420.00	\$420.00	\$420.00	\$420.00
Best	\$424.00	\$424.00	\$424.00	\$424.00
Last Wk	\$420.00	\$420.00	\$420.00	\$420.00
Change	\$4.00	\$4.00	\$4.00	\$4.00

APW1	Geelong	Portland	Melb
Viterra			
AWB	\$215.00	\$210.00	\$215.00
Cargill			
CBH	\$211.00	\$206.00	\$211.00
SQP			
Dreyfus			
Riordan			
G'Corp			
ETG	\$211.00	\$206.00	\$211.00
Glencore	\$211.00	\$205.00	\$211.00
Best	\$215.00	\$210.00	\$215.00
Last Wk	\$213.00	\$206.00	\$213.00
Change	\$2.00	\$4.00	\$2.00

F1 Barley	Geel	Ptland	Melb
Viterra	\$155.00	\$155.00	
AWB	\$150.00	\$145.00	\$150.00
Cargill			
CBH	\$155.00	\$151.00	\$155.00
Dreyfus			
Riordan			
SQP			
GrainCorp			
ETG	\$150.00	\$145.00	\$148.00
Glencore			
Best	\$155.00	\$155.00	\$155.00
Last Wk	\$155.00	\$155.00	\$155.00
Change	\$0.00	\$0.00	\$0.00

Malt Barley	Geel	Ptland	Melb
Viterra	\$200.00	\$200.00	
AWB	\$200.00	\$195.00	\$200.00
Cargill			
CBH			
Dreyfus			
Riordan			
SQP			
GrainCorp			
ETG			
Glencore			
Best	\$200.00	\$200.00	\$200.00
Last Wk	\$200.00	\$200.00	\$200.00
Change	\$0.00	\$0.00	\$0.00





## Today's 2009/10 Contract Prices - Barley, Canola, Pulses

Gar M1	Pt Adel	Wallaroo	Pt Giles	Pt Linc	Thevenard	Geel	Ptland	Melb
Viterra	\$177.00	\$176.00	\$172.00	\$170.00	\$0.00	\$195.00	\$195.00	
AWB								
Cargill	\$155.00							
CBH	\$165.00	\$165.00	\$165.00			\$210.00	\$200.00	\$205.00
Dreyfus								
SQP								
AGE								
EP Grain								
C State								
GrainCorp	\$178.00	\$170.00				\$168.00	\$168.00	\$164.00
ETG	\$195.00					\$195.00	\$185.00	\$190.00
Glencore								
<b>Best</b>	<b>\$195.00</b>	<b>\$176.00</b>	<b>\$172.00</b>	<b>\$170.00</b>		<b>\$210.00</b>	<b>\$200.00</b>	<b>\$205.00</b>
Last Wk	\$200.00	\$176.00	\$172.00	\$175.00		\$217.00	\$217.00	\$217.00
Change	-\$5.00	\$0.00	\$0.00	-\$5.00		-\$7.00	-\$17.00	-\$12.00

F1 Feed	Pt Adel	Wallaroo	Pt Giles	Pt Linc	Thevenard	Geel	Ptland	Melb
Viterra	\$126.00	\$126.00	\$126.00	\$126.00	\$116.00	\$140.00	\$140.00	
AWB	\$128.00	\$125.00	\$125.00	\$127.00	\$127.00	\$140.00	\$138.00	\$140.00
Cargill	\$128.00	\$125.00	\$128.00	\$128.00			\$137.00	
CBH	\$127.00	\$127.00	\$127.00	\$127.00	\$117.00	\$139.00	\$135.00	\$137.00
Dreyfus	\$128.00			\$128.00		\$138.00	\$137.00	\$138.00
Riordan								
AGE	\$127.00	\$127.00	\$127.00	\$127.00				
EP Grain/SQP								
C State	\$125.00	\$125.00	\$125.00	\$125.00				
GrainCorp	\$127.00	\$127.00				\$141.00	\$140.00	\$138.00
ETG	\$125.00	\$125.00	\$125.00	\$125.00		\$141.00	\$137.00	\$139.00
Glencore	\$128.00	\$126.00	\$126.00	\$127.00		\$138.00	\$136.00	\$138.00
<b>Best</b>	<b>\$128.00</b>	<b>\$127.00</b>	<b>\$128.00</b>	<b>\$128.00</b>	<b>\$127.00</b>	<b>\$141.00</b>	<b>\$140.00</b>	<b>\$140.00</b>
Last Wk	\$130.00	\$128.00	\$128.00	\$130.00	\$130.00	\$144.00	\$140.00	\$144.00
Change	-\$2.00	-\$1.00	\$0.00	-\$2.00	-\$3.00	-\$3.00	\$0.00	-\$4.00

Canola	Pt Adel	Pt Lincoln	Geelong	Portland
Viterra	\$404.00	\$404.00	\$391.00	\$391.00
AWB	\$401.00		\$397.00	\$397.00
Cargill	\$405.00	\$403.00		\$406.00
CBH	\$400.00	\$398.00	\$395.00	\$395.00
EP Gr/SQP				
Cent State	\$400.00	\$400.00		
G Corp	\$402.00	\$398.00	\$407.00	\$405.00
ETG	\$400.00	\$400.00	\$398.00	\$390.00
Glencore	\$401.00	\$401.00	\$399.00	\$395.00
<b>Best</b>	<b>\$405.00</b>	<b>\$404.00</b>	<b>\$407.00</b>	<b>\$406.00</b>
Last Wk	\$400.00	\$400.00	\$400.00	\$400.00
Change	\$5.00	\$4.00	\$7.00	\$6.00

### Other Wheat Prices

ETG	SA	Direct Adel region	Jan - June	ASW
ETG	SA	Ad Nth Dir	Jan - June	ASW
ETG	SA	M Bri Reg	Jan - June	ASW
Cent State	SA	Balco		APW
Cargill	SA	M Bridge		ASW
Glencore	SA	Wasleys	Jan	ASW
Cargill	SA	Wasleys	Jan	ASW
Cargill	SA	Adel Feb		H2

### Other Wheat Prices

ETG	Vic	Melb Direct	Jan - June	APW
ETG	Vic	Goul Valley	Jan - June	ASW
ETG	Vic	Melb Direct	Jan - June	ASW
ETG	Vic	Melb Direct	Jan - June	H1
ETG	Vic	St Arnaud	Jan - June	ASW
Riordan	Vic	Lara	Feb - June	APW
Cargill	Vic	Bendigo		ASW

### Other Barley Prices

ETG	SA	Direct Adel	Jan - June	F1
ETG	SA	Ad Nth Reg	Jan - June	F1
ETG	SA	M Bri Reg	Jan - June	F1
ETG	SA	Pinnaroo		F1
Cargill	SA	Adelaide	March	F1

Fiesta	Pt Adel	Wallaroo	Doon
Viterra			
AWB	\$210.00	\$195.00	\$210.00
AGE	\$217.00	\$200.00	
Glencore	\$220.00		
<b>Best</b>	<b>\$220.00</b>	<b>\$200.00</b>	<b>\$210.00</b>
Last Wk	\$225.00	\$200.00	\$220.00
Change	-\$5.00	\$0.00	-\$10.00

Peas	Pt Adel	Wallaroo	Doon
Viterra	\$224.00	\$214.00	\$212.00
AWB	\$220.00	\$205.00	
AGE	\$225.00	\$215.00	
C State			
CBH	\$219.00	\$203.00	
<b>Best</b>	<b>\$225.00</b>	<b>\$215.00</b>	<b>\$212.00</b>
Last Wk	\$221.00	\$210.00	\$210.00
Change	\$4.00	\$5.00	\$2.00

Triticale	Pt Adel	Wallaroo	Pt Linc
Viterra	\$136.00		
AWB			
AGE			
<b>C State</b>			
<b>Best</b>	<b>\$136.00</b>		
Last Wk	\$138.00		
Change	-\$2.00		

N Field	Pt Adel	Wallaroo	Doon Vic
Viterra	\$770.00	\$755.00	
AWB	\$725.00	\$710.00	\$730.00
AGE			
<b>C State</b>			
<b>Best</b>	<b>\$770.00</b>	<b>\$755.00</b>	<b>\$730.00</b>
Last Wk	\$750.00	\$735.00	\$720.00
Change	\$20.00	\$20.00	\$10.00

Ald Len	Pt Adel	Wallaroo	Doon Vic
Viterra			
AWB	\$725.00	\$710.00	\$725.00
AGE			
<b>C State</b>			
<b>Best</b>	<b>\$725.00</b>	<b>\$710.00</b>	<b>\$725.00</b>
Last Wk	\$715.00	\$700.00	\$715.00
Change	\$10.00	\$10.00	\$10.00

### Flagship and Sloop Malt Barley Contract Prices

Flagship	Pt Adel	Wallaroo	Pt Giles	Pt Linc	Geelong
Viterra					
EP Grain					
AGE					
Riordan					
CBH					
<b>Best</b>					
Last Wk	\$182.00	\$181.00	\$177.00	\$175.00	\$195.00
Change	-\$182.00	-\$181.00	-\$177.00	-\$175.00	-\$195.00

Sloop	Pt Adel	Wallaroo	Pt Giles	Pt Linc	Geelong
Viterra					
Gcorp					
EPG					
ETG					
CBH					
<b>Best</b>					
Last Wk	\$165.00	\$158.00	\$160.00	\$160.00	\$169.00
Change	-\$165.00	-\$158.00	-\$160.00	-\$160.00	-\$169.00

### Other Barley Prices

ETG	Vic	Charlton FdLt	Jan - June	F1	\$138.00
ETG	Vic	Goul Valley	Jan - Mch	F1	\$152.00
ETG	Vic	Piangil		F1	\$104.00
ETG	Vic	West Dist	Feb - June	F1	\$146.00
ETG	Vic	St Arnaud	Jan - June	F1	\$137.00
SQP	Vic	West Dist		F1	\$150.00

## Today's Contract Prices 2009/10 - NSW

APH2	Newcastle	Pt Kembla
Viterra	\$219.00	\$211.00
AWB	\$225.00	\$230.00
Cargill		
Dreyfus	\$221.00	\$217.00
CBH	\$211.00	\$214.00
Riordan		
ETG	\$227.00	\$227.00
Glencore	\$223.00	\$223.00
<b>Best</b>	<b>\$227.00</b>	<b>\$230.00</b>
Last Wk	\$228.00	\$228.00
Change	-\$1.00	\$2.00

H2	Newcastle	Pt Kembla
Viterra	\$206.00	\$211.00
AWB	\$214.00	\$217.00
Cargill		
Dreyfus	\$207.00	\$206.00
CBH	\$205.00	\$208.00
Riordan		
ETG	\$208.00	\$208.00
Glencore	\$207.00	\$207.00
<b>Best</b>	<b>\$214.00</b>	<b>\$217.00</b>
Last Wk	\$213.00	\$215.00
Change	\$1.00	\$2.00

APW1	Newcastle	Pt Kembla
Viterra	\$201.00	\$211.00
AWB	\$206.00	\$211.00
Cargill		
Dreyfus	\$204.00	\$204.00
CBH	\$199.00	\$202.00
Riordan		
ETG	\$203.00	\$203.00
Glencore	\$204.00	\$204.00
<b>Best</b>	<b>\$206.00</b>	<b>\$211.00</b>
Last Wk	\$204.00	\$210.00
Change	\$2.00	\$1.00

ASW1	Newcastle	Pt Kembla
Viterra	\$191.00	\$211.00
AWB	\$198.00	\$205.00
Cargill		
CBH	\$181.00	
Riordan		
Dreyfus		
ETG	\$198.00	\$201.00
Glencore	\$173.00	\$173.00
<b>Best</b>	<b>\$198.00</b>	<b>\$211.00</b>
Last Wk	\$199.00	\$210.00
Change	-\$1.00	\$1.00

AGP	Newcastle	Pt Kembla
Viterra	\$179.00	\$191.00
AWB	\$196.00	\$196.00
Cargill		
CBH	\$174.00	\$177.00
Riordan		
Dreyfus		
ETG	\$183.00	\$183.00
Glencore	\$173.00	\$173.00
<b>Best</b>	<b>\$196.00</b>	<b>\$196.00</b>
Last Wk	\$194.00	\$194.00
Change	\$2.00	\$2.00

Feed Wht	Newcastle	Pt Kembla
Viterra	\$136.00	\$146.00
AWB	\$191.00	\$196.00
Cargill		
CBH	\$159.00	\$162.00
Riordan		
Dreyfus		
ETG	\$173.00	\$168.00
Glencore		
<b>Best</b>	<b>\$191.00</b>	<b>\$196.00</b>
Last Wk	\$189.00	\$194.00
Change	\$2.00	\$2.00

Canola	Newcastle	Pt Kembla
Viterra	\$406.00	\$406.00
AWB	\$419.00	\$418.00
Cargill		
CBH	\$410.00	\$410.00
G'Corp		
Dreyfus		
ETG		
Glencore	\$410.00	\$405.00
<b>Best</b>	<b>\$419.00</b>	<b>\$418.00</b>
Last Wk	\$415.00	\$414.00
Change	\$4.00	\$4.00

Malt Barley	Newcastle	Pt Kembla
Viterra	\$220.00	\$210.00
AWB		
Cargill		
CBH	\$220.00	\$215.00
G'Corp		
Dreyfus		
ETG	\$213.00	\$220.00
Glencore		
<b>Best</b>	<b>\$220.00</b>	<b>\$220.00</b>
Last Wk	\$220.00	\$220.00
Change	\$0.00	\$0.00

F1 Barley	Newcastle	Pt Kembla
Viterra	\$190.00	\$170.00
AWB	\$185.00	\$175.00
Cargill		
CBH	\$185.00	\$175.00
G'Corp		
Dreyfus	\$185.00	\$175.00
ETG		
Glencore		
<b>Best</b>	<b>\$190.00</b>	<b>\$175.00</b>
Last Wk	\$190.00	\$182.00
Change	\$0.00	-\$7.00

Sorghum	Newcastle	Brisbane
Viterra		
AWB	\$193.00	\$193.00
Cargill		
CBH	\$197.00	
G'Corp		
Dreyfus		
ETG	\$197.00	\$192.00
Glencore	\$195.00	
<b>Best</b>	<b>\$197.00</b>	<b>\$193.00</b>
Last Wk	\$197.00	\$915.00
Change	\$0.00	-\$722.00

Durum 1	Newcastle	Pt Kembla
Viterra		
AWB		
Cargill		
CBH		
G'Corp		
Dreyfus		
ETG		
Glencore		
<b>Best</b>	<b>\$0.00</b>	
Last Wk	\$188.00	
Change		

### NEW SEASON 2010/11 Prices

APW1	Newcastle	Pt Kembla
Viterra	\$216.00	\$219.00
AWB	\$215.00	\$217.00
Cargill		
Dreyfus		
CBH		
Riordan		
ETG	\$213.00	\$215.00
Glencore	\$211.00	\$213.00
<b>Best</b>	<b>\$216.00</b>	<b>\$219.00</b>
Last Wk	\$213.00	\$215.00
Change	\$3.00	\$4.00

Canola	Newcastle	Pt Kembla
Viterra	\$424.00	\$424.00
AWB	\$423.00	\$421.00
Cargill		
CBH		
G'Corp		
Dreyfus		
ETG		
Glencore	\$420.00	\$420.00
<b>Best</b>	<b>\$424.00</b>	<b>\$424.00</b>
Last Wk	\$425.00	\$423.00
Change	-\$1.00	\$1.00

Malt Barley	Newcastle	Pt Kembla
Viterra	\$215.00	\$205.00
AWB	\$215.00	\$205.00
Cargill		
CBH		
G'Corp		
Dreyfus		
ETG		
Glencore		
<b>Best</b>	<b>\$215.00</b>	<b>\$205.00</b>
Last Wk	\$215.00	\$205.00
Change	\$0.00	\$0.00

Feed Barley	Newcastle	Pt Kembla
Viterra	\$170.00	\$165.00
AWB	\$175.00	\$170.00
Cargill		
CBH		
G'Corp		
Dreyfus		
ETG	\$172.00	\$162.00
Glencore		
<b>Best</b>	<b>\$175.00</b>	<b>\$170.00</b>
Last Wk	\$175.00	\$170.00
Change	\$0.00	\$0.00

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## Commodity News Grain Report

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### Wheat and Canola Futures Update

#### CBOT Wheat Futures

Ex Rate	0.9247		Date	13-Apr-10		
Contract	Close	Daily Change	Weekly Change	A\$ Value	Weekly Change	
Spot Proview	472.4	+2.7	+15.4	\$187.49	+\$5.31	
May 2010	467.75	+2.0	+14.25	\$185.64	+\$4.85	
Dec 2010	526.0	+1.75	+13.75	\$208.76	+4.05	

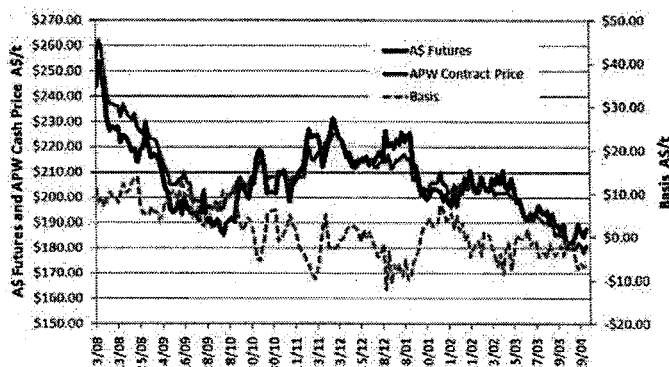
#### ASX Futures

Contract	Delivery	This Week	Last Week	Change
Milling Wht	Jan 11	\$204.00	\$206.00	-\$2.00
WA Wheat	Jan 11	\$206.50	\$207.50	-\$1.00
Feed Barley	Jan 11	\$148.00	\$150.00	-\$2.00

#### Export Wheat and Canola Basis Levels – Pt Adelaide

	Current 2009 Cash Price	Current A\$ Futures	Current Basis
<b>APW Wheat Basis Levels</b>			
Spot Futures	\$181.00	\$185.64	-\$4.64
Swap Expiry	\$181.00	\$222.04	-\$41.04
Dec 10 Futures	\$181.00	\$208.76	-\$27.76
<b>Canola Basis Levels</b>			
May 10 Futures	\$403.00	\$408.83	-\$5.83

A\$ Futures and APW Contract Prices 2009



#### 2009 Canola May 2010 CAN\$379.80 (-CAN\$1.30)

Canola	Pt Adel	Pt Lincoln	Geelong	Portland	Newcastle	Pt Kembla
Viterra	\$397.00	\$397.00	\$394.00	\$394.00	\$399.00	\$399.00
AWB	\$402.00	\$397.00	\$398.00	\$397.00	\$420.00	\$419.00
Cargill	\$403.00	\$401.00	\$403.00	\$399.00	\$422.00	\$420.00
CBH	\$398.00	\$395.00	\$395.00	\$395.00	\$400.00	\$400.00
EP Gr/SQP		\$400.00	\$400.00	\$398.00		
Cent State	\$395.00	\$395.00				
G Corp	\$398.00	\$395.00	\$407.00	\$401.00		
ETG	\$400.00	\$400.00	\$399.00	\$390.00		
Glencore	\$398.00	\$398.00	\$396.00	\$392.00	\$410.00	\$405.00
Best	\$403.00	\$401.00	\$407.00	\$401.00	\$422.00	\$420.00
Last Wk	\$407.00	\$403.00	\$405.00	\$403.00	\$423.00	\$422.00
Change	-\$4.00	-\$2.00	\$2.00	-\$2.00	-\$1.00	-\$2.00

### Current Recommendations

*Wheat prices in Victoria are more attractive than they are in SA. If you have access to the domestic market in NSW or the container market, make those outlets your priority. If your grain needs to go bulk export, consider selling while basis levels are strong, and before we lose value during the US harvest period.*

*SA growers have more of a problem. Demand is weak and prices are weak, with no guarantee that prices will rally a lot because of the big supplies hanging over the market to be sold on any small price rally. Continue with regular incremental sales, or if you don't want to keep doing that either sell it all now, or hold it all to see if prices rally against a shift in export demand from WA and Vic to SA later in the year.*

*Sell old season lentils and canola. Consider carefully commencing new season canola sales as per the last couple of weeks reports.*

### Overnight Market News

(Sources: Dow Jones, Agriculture Online, FutureSource, Bloomberg, CBOT)

#### Wheat

- Wheat finished up 2 USc/bu overnight on Monday night.
- Support came from sharp losses on the US dollar.
- Pressure came from ideal spring weather across most of the winter wheat belt.
- Export inspections of 17.090 mill bu were down from the 21.22 mill bu last week, and just below the 17.9 mill bu needed to reach the new USDA forecast.
- Cumulative inspections stand at 84% of the USDA projection compared to 84.5% on average.

#### Corn

- Corn lifted 2.5 USc/bu overnight.
- Ideal planting conditions was the negative factor, while a drop in the US dollar was a positive.
- The ideal weather is expected to last most of this week.
- Export inspections of 31.975 mill bu came in under the 41.022 mill bu needed to reach the USDA forecast.

#### Soybeans and Canola

- Soybeans were up 7.75 USc/bu overnight.
- Support came from the US dollar, and buying of old season soybeans by China.
- The ideal weather was the negative.
- Export inspections continue to run well ahead of that needed to reach the newly revised export forecast from the USDA.