

Report week 26

Corn:

Taiwan's MFIG purchasing group bought 130,000 tonnes of corn from Brazil in an international tender which closed on Thursday.

- Some 65,000 tonnes of the yellow corn was purchased at a premium of 111.60 U.S. cents a bushel c&f over the Chicago December corn contract CZ5 for Oct. 3-22 shipment
- Another 65,000 tonnes was bought at a premium of 116.00 U.S. cents a bushel c&f over the Chicago December corn contract for Sept. 13 to Oct. 2 shipment

In the Black sea (Ukraine) there was some activity last week, old crop July traded around 178\$. New crop (Nov) traded around 170\$.

Hungarian Danube corn FOB levels traded old crop Jun/Jul positions last week around 136/137€. New crop (Oct/Nov) traded 137/138€ and later in the week 140/141€ as well. Basis Jan traded around the 140/141€ level.

On the Dutch market some trades were done on the corn last week with old crop july/sep traded at 175€ level. New crop oct/dec with 168 and later on in the week with 175€. Jan/mrt traded also @ 175€ Jan/Jun was traded @ 172€ and at the end of the week with 178€.

Wheat:

The Ethiopian government has bought an additional 160,000 tonnes of optional-origin wheat bringing its total purchases in an international tender to 400,000 tonnes. Ethiopia had initially bought 240,000 tonnes of wheat in the tender but continued price negotiations. All the wheat bought can be sourced from optional origins but may come from the Black Sea region.

Of the new 160,000 tonne purchase, 80,000 tonnes was bought at \$220.88 a tonne c&f, 40,000 tonnes at \$222.09 a tonne c&f and 40,000 tonnes at \$222.17 a tonne c&f.

The first 240,000 tonne purchase was all bought at \$220.88 a tonne c&f and other companies participating in the tender were asked to match this price for the final 160,000 tonnes. "This price is very low and seems to be based on the gamble that Black Sea prices will fall if there is a good crop this summer."

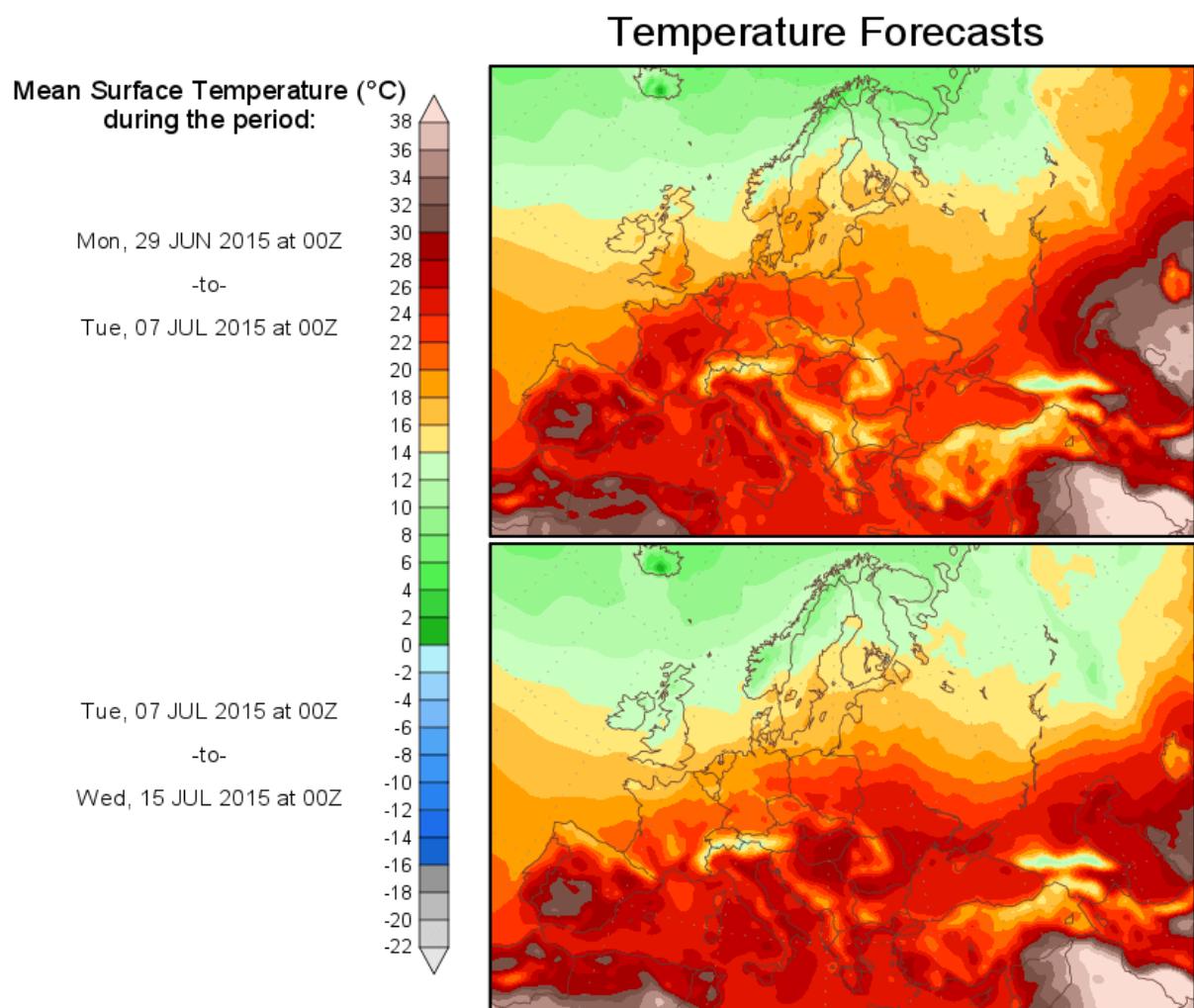
"There was unwillingness to match. The full volume could not be bought at the lowest price and a higher price level had to be accepted, otherwise a new tender would have to have been issued at a time of rising prices."

Algeria's state grains agency OAIC has issued an international tender to purchase a nominal 50,000 tonnes of milling wheat. Shipment is sought in September. Tender deadline is July 1 with offers having to remain valid until July 2. Volumes in Algeria's tenders are traditionally nominal and the country frequently buys more than was tendered for.

Feed wheat Dutch market active last week, MATIF moved up end of last week on concerns of dryness in the Europe/US, but buyers were not moving with it. 178/179€ traded some old crop June/July positions.

European benchmark wheat futures in Paris rose over 4 percent on Friday, touching their highest level in over three months, on concerns dry weather may damage crops in France, Europe's largest wheat producer. December milling wheat BL2Z5, the new-crop benchmark on the Paris Euronext exchange, unofficially closed up 4.6 percent or 8.75 euros at the day's high of 196.50 euros a tonne, its highest since March 23.

French wheat conditions declined in the week to June 22, farm office FranceAgriMer said on Friday. For soft wheat, 81 percent of the crop was in good or excellent condition on June 22, down from 85 percent a week earlier. But the level remained above the rating of 71 percent a year ago. German cash wheat premiums in Hamburg were marked down to reflect the rise in Paris. But premiums were regarded as nominal because of thin sales offers. In Poland prices also rose this week due to hot, dry weather and firmer international markets.



Barley:

Algeria's state grains agency OAIC bought between 100,000 to 150,000 tonnes of optional-origin feed barley in a tender last week at prices between \$193 and \$197, cost and freight included, for shipment in July

The wide range of prices was linked to the fact that OAIC in its tender had asked that part of the grain order be shipped to ports with small water depth, making it more expensive.

OAIC does not publish details of its grain tenders and results reported by traders are estimates.

French market barley new crop last week sellers were showing prices around 208\$, buyers indicating 200\$. For the German barley market new crop nominal values were around 200US\$. The delivered market in Germany was paid up in big style last week following matif movement, sellers were keen to sell because the prices were regarded high compared to other destination business (Saudi/Africa). Buyers found the price interesting to buy in a premium compared to matif, (-17/-18). The spread between French and German origin Barley is narrowing probably due to the fact that China's demand for the French barley is lowering with the rise in prices and a big corn crop expected.