



www.australianpork.com.au freecall: 1 800 789 099 PH: 02 6285 2200 FX: 02 6285 2288 ISSN 1447-2414

ISSUE # 396 2<sup>nd</sup> September 2010

## Markets

Pig Prices c/Kg HSCW, Trim 1 - Head on (weighted average indicative prices). NB: National weighted averages exclude Tasmania.

W/E 27/08/2010

CONTRACT PRICES	45kg - 60kg- 11-12mm				60.1kg - 75kg- 12-13mm			
	Range		Weighted Av	CH	Range		Weighted Av	CH
	Min	Max			Min	Max		
QLD	270	440	315	-6	210	325	256	3
NSW	325	325	325	0	230	255	244	4
VIC	223	223	223	0	230	248	241	2
SA	290	302	301	5	240	280	262	1
WA	304	353	353	1	270	304	273	-2
TAS	400	400	400	0	360	360	360	0
EASTERN SEABOARD*	223	440	299	0	210	325	252	3
NATIONAL (excl.TAS)	223	440	305	0	210	325	254	2

CONTRACT PRICES	75.1kg - 85kg- 13-14mm				85.1kg - 105kg - (Japan Trim)			
	Range		Weighted Av	CH	Range		Weighted Av	CH
	Min	Max			Min	Max		
QLD	203	281	245	-1	181	245	207	2
NSW	230	255	239	0	240	245	243	3
VIC	230	243	235	0	228	228	228	0
SA	240	243	241	0				
WA	265	304	269	-2				
TAS	330	330	330	0	310	310	310	0
EASTERN SEABOARD*	203	281	241	0	181	245	226	2
NATIONAL (excl.TAS)	203	304	244	0	181	245	226	2

CONTRACT PRICES	Backfatter Sows > 20mm			
	Range		Weighted Av	CH
	Min	Max		
QLD	92	180	154	0
NSW	115	115	115	0
VIC	140	140	140	0
SA	140	140	140	0
WA	185	185	185	0
TAS	120	120	120	0
EASTERN SEABOARD*	92	180	137	0
NATIONAL (excl.TAS)	92	185	143	0

SALEYARD PRICES	Baconer price			Porker Price			Numbers Sold	
	LW	TW	CH	LW	TW	CH	LW	TW
Toowoomba (QLD)	258	327	69	300	324	24	240	180
Gunnedah (NSW)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ballarat (VIC)	N/A	211	N/A	N/A	280	N/A	N/A	613
Dublin (SA)	276	270	-6	318	296	-22	1076	982

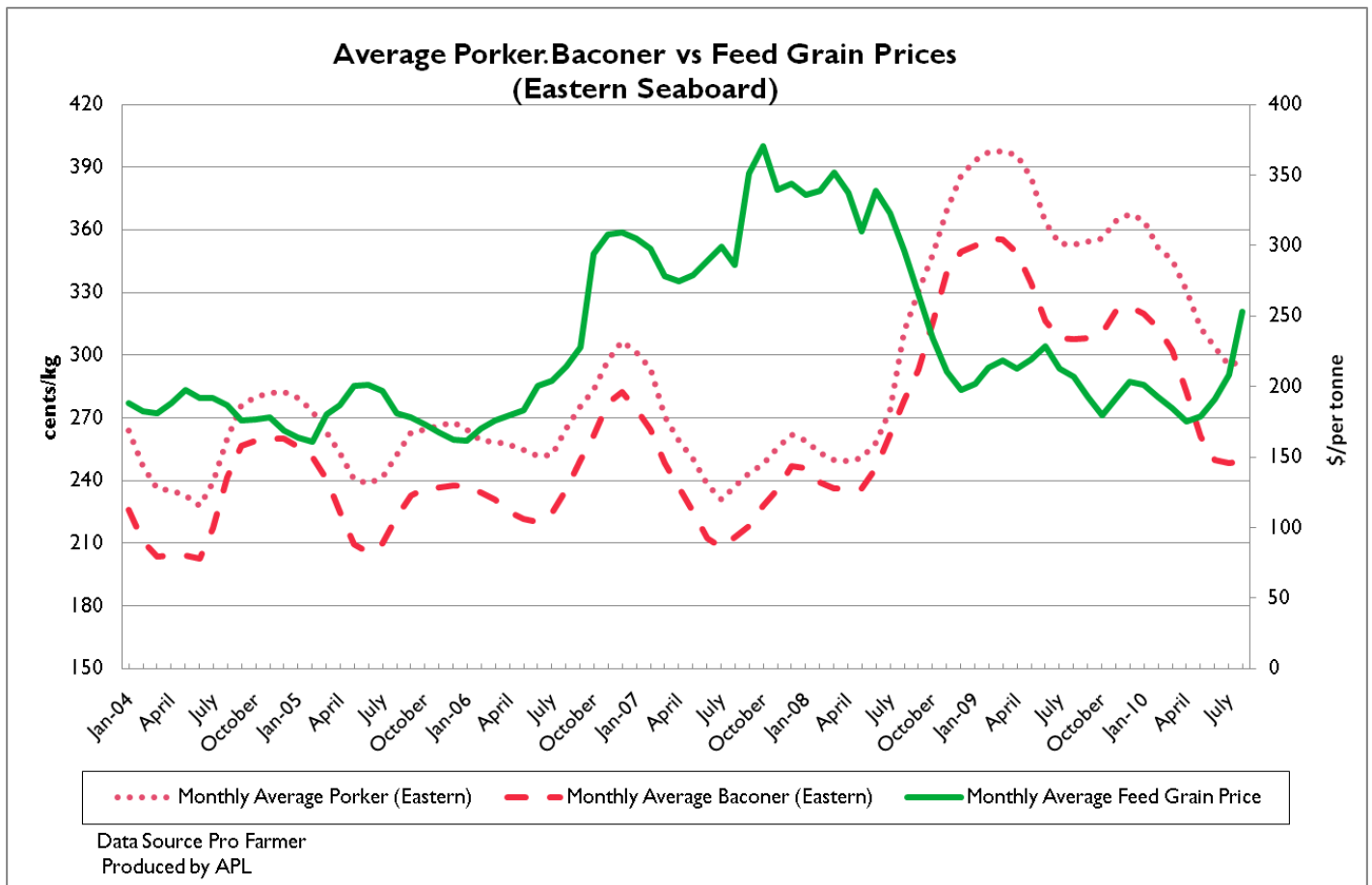
CH: Denotes change from previous week. N/A: Denotes no data provided. Please note: Gunnedah (NSW) prices are provided monthly and Ballarat (Vic) prices are provided fortnightly. \*Eastern Seaboard: Includes QLD, NSW, VIC & SA states only.

**Pork Wholesale Prices (Sydney c/Kg)** (Source: NLRS TW: This Week | LW: Last Week | RAA: Rolling Annual Average)

01/09/2010	CARCASS		BROKEN SALES					
	Pork	Bacon	Legs	Legs Ham Trim	Saddles	Loin	Forequarters	Bellies
<b>TW</b>	390	360	380	430	440	490	310	650
<b>LW</b>	390	360	370	400	440	490	310	650
<b>September 2010 Rolling Annual Average</b>	449	410	452	498	511	549	336	659

01/09/2010	CARTON SALES							
	US Ribs	Boneless Legs	Filletts	Boneless Middles – 1 8 – 13mm fat	Boneless Middles – 2 13 – 20mm fat	Boneless Shoulders	Pork Neck	Trim – 90CL
<b>TW</b>	1150	540	1100	410	345	470	650	400
<b>LW</b>	1150	540	1100	410	345	480	650	400
<b>September 2010 Rolling Annual Average</b>	1149	644	1121	451	398	506	659	395



**Weekly Grain Comment**

(Source: ProFarmer)

**International**

The international wheat market drifted lower in choppy trading over the past week. Ongoing concerns about 2010/11 supplies (weather damage in Europe/Canada and southern hemisphere crops) were largely offset by improved planting conditions in northern Europe.

The International Grains Council (IGC) updated its global wheat estimate last week, reducing production to 644mmt (vs 651mmt last month and 677mmt last year), with reductions noted in the FSU. Usage was lifted a little to 657mmt on reduced availability of Russian barley and increased livestock feeding. Global ending stocks are at 184mmt (-13mmt vs July est.) and stocks in the major exporters are at 56mmt (-4mmt vs July est.) - well above the levels that caused panic in 2007/08 (124mmt and 39mmt).

The IGC report will not have taken into account the recent wet weather in northern Europe which will further reduce production and quality. The impact should be minimal as it is feed grain supplies that Europe is looking to replace. Global carry-over stocks are believed to be of mainly milling quality.

The US harvest is progressing with minimal interruptions and with forecast yields being achieved. Early indications from the spring wheat harvest have test weights and protein than last year. The Canadian harvest is slow due to inclement weather.

Weather will continue to be the focus of price direction. US futures continue to edge lower week on week (US wheat was still too expensive in the most recent Egyptian tender). MATIF futures firmed to start the week on continued wet weather in northern Europe.

**Domestic****Wheat***Sth QLD/Nth NSW*

Old crop track bids for APW2 Brisbane are marginally firmer as stocks remain tight ahead of the new crop harvest. Brisbane bids at \$292/t APW, and \$297/t for H2.

Delivered 70/10 feed market has firmed to be bid \$297/t Brisbane and Downs \$282/t, for September-October delivery.

New crop multi-grade is bid \$298/t Brisbane and \$290/t CQ ports. Some additional grower selling has been seen at these levels.

Old crop track bids for Newcastle and Pt Kembla are marginally firmer as stocks remain tight ahead of the new crop harvest. NSW ports are at \$287/t for APW with higher protein grades in demand and moving to a +\$25/t spread.

Delivered 70/10 feed markets have firmed to \$292/t Newcastle and \$282/t Tamworth, \$5/t firmer than last week.

New crop multi-grades are bid \$295/t NSW ports, with only one buyer at the top level and most others back \$3.

*Sth NSW/VIC/SA*

The old crop track market has firmed \$3-6/t over the week providing further selling opportunities. Values remain behind new crop levels, but seem to be creeping closer by the week.

Up country feed markets have remained firm to compete against strong demand into the ports for both container and bulk exports. This has extended to the Riverina where delivered bids into the feed market are at \$265/t. Geelong is bid \$325/t for H2 (Pt Adelaide at \$307/t) and \$312/t for APW (Pt Adelaide at \$292/t).

New crop multi-grade bids are bid \$300/t Pt Adelaide (steady) and \$295/t Geelong (down \$2/t).

**Barley***Sth QLD/Nth NSW*

Old crop track bids have drifted lower as buyers have satisfied nearby coverage. The export trade is slow due to Ramadan and Saudi importers wading through cheap stocks and waiting for its Government to adjust import tariffs. The slack in the export trade is being taken up by domestic consumers with barley becoming competitive again in local markets.

Delivered markets onto the Downs are bid \$255/t, with ex farm bids at \$245/t.

New crop Brisbane bids have eased to \$262/t with bids continuing to edge lower with the spread to APW wheat holding around \$30/t over barley.

Northern NSW bids remain in the \$220-\$230 range ex farm Moree, making delivered feedlot bids around \$250/t. Liverpool Plains is bid \$240/t unchanged over the past 3 weeks. Bathurst is bid \$210/t which will keep northern markets working off these execution levels from stocks held in the central west.

New crop have eased to \$262/t port with Newcastle at \$258/t, just above other east coast ports at \$257/t. Bids continue to edge lower with the spread to APW wheat holding around \$30/t over barley.

#### Sth NSW/VIC/SA

Victorian major consumers are bidding firmer at \$230-235/t delivered, while Melbourne bids are around \$240/t. Riverina buying interest would be around the \$220-\$230/t range.

New crop track bids continue to edge lower (down \$10/t) with bids sub \$260/t Geelong and Pt Adelaide. Victorian country end user bids are also back \$10/t, bidding \$240/t for Jan-Jun spreads. Melbourne delivered for the same period is now bid at \$250/t, GV at \$245/t is \$5/t weaker from last week. Riverina destination bids are steady at \$235/t.

### Sorghum

Current cropping conditions will favor a large sorghum plant, especially in the western regions where dryland cotton options are a less preferred grower option.

End users will continue to monitor crop size and spread to wheat. On current values sorghum will continue to be a major ration component. Grower selling ideas are in the +\$245/t port range.

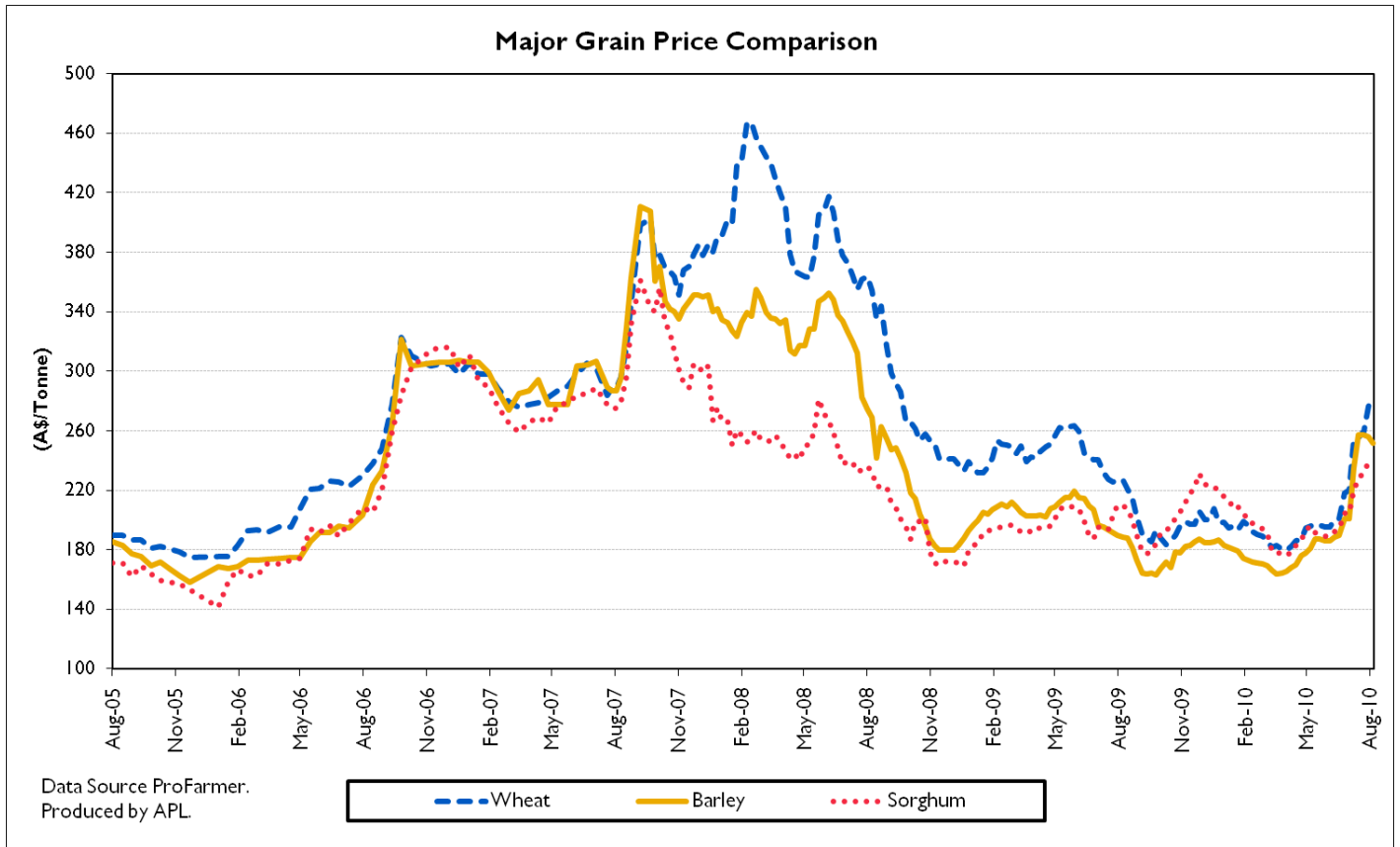
Downs bids are at \$233/t and Brisbane is at \$244-\$246/t with buying interest now for Sept-Oct. CQ bids are holding around the \$220/t port level, with ex farm bids at Moura at \$208/t and further west Emerald and Springsure bid at \$188/t, having firmed over the past week.

### Weekly Grain Table

(Source: ProFarmer)

	DD			Bris			Nth NSW			New		
	LW	TW	CH	LW	TW	CH	LW	TW	CH	LW	TW	CH
Feed Wheat	270	282	12	280	297	17	277	282	5	280	285	5
Feed Barley	255	255	0	260	252	-8	240	240	0	255	260	5
Sorghum	233	233	0	240	245	5	230	235	5	252	255	3
Soy meal	570	580	10	545	555	10	620	630	10	545	555	10
Canola meal	385	385	0	355	355	0	365	365	0	325	325	0
Cotton seed	275	275	0				275	275	0			
	Sth NSW			Pt K			GV			Central Vic		
	LW	TW	CH	LW	TW	CH	LW	TW	CH	LW	TW	CH
Feed Wheat	265	270	5	264	263	-1	280	282	2	279	282	3
Feed Barley	230	230	0	255	245	-10	240	235	-5	222	234	12
Triticale	215	215	0				220	220	0			
Soy meal	570	580	10	570	580	10	570	580	10	570	580	10
Canola meal	345	345	0	325	325	0	345	345	0	345	345	0
	Geel			Adel			Freo					
	LW	TW	CH	LW	TW	CH	LW	TW	CH			
Feed Wheat	275	287	12	280	283	3	269	267	-2			
Feed Barley	257	247	-10	261	250	-11	280	272	-8			
Soy meal	545	555	10									
Canola meal	325	325	0									
Feed Oats							230	230	0			

DD = Darling Downs Bris = Brisbane Nth NSW = Northern New South Wales New = Newcastle Sth NSW = Southern New South Wales Pt K = Port Kembla GV = Goulburn Valley Central Vic = Central Victoria Geel = Geelong Adel = Adelaide Freo = Fremantle. LW = Last week TW = This week CH = Change  
Due to the volatility of the grain market, caution must be used when valuing data.



**Disclaimer:** The information contained in this report cannot be forwarded to, or used by, a third party without prior written consent from Australian Pork Limited (APL). This information has been collected and processed by APL and has not been prepared for any particular individual. Accordingly, the information contained in the report may not be an accurate reflection of market prices or of changes in market prices. The report does not constitute a recommendation by, or opinion of, APL. While this information has been collected and processed in good faith, due to the nature of the information gathering process, APL is unable to guarantee the accuracy of the information and does not accept any liability in respect of any action taken by any person in reliance on the content of this report. The information contained in the report should not be relied upon for any purpose. Nothing within the report constitutes a representation with respect to any future matter or a representation as to the value of or demand for any good.