

FLOUR FACTS

Information Provided by General Mills Professional Baking Solutions
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Weekly Market Highlights

JULY 12, 2012

- Wheat futures prices continue to advance this week. Basis levels were lower.
- USDA reduced winter wheat production by 1% from June estimates, but that is still up 29% from 2011. Spring wheat production forecast was up 10% from 2011.
- USDA lowered the U.S. 2012-2013 carryout on wheat, corn and beans.
- Spring wheat harvest has begun in South Dakota. Winter wheat harvest is near completion.
- Corn continues to remain an influence on the wheat futures markets. The condition of the crop continues to deteriorate due to the drought.
- World wheat crop production estimate was lowered mainly due to Russia and China.

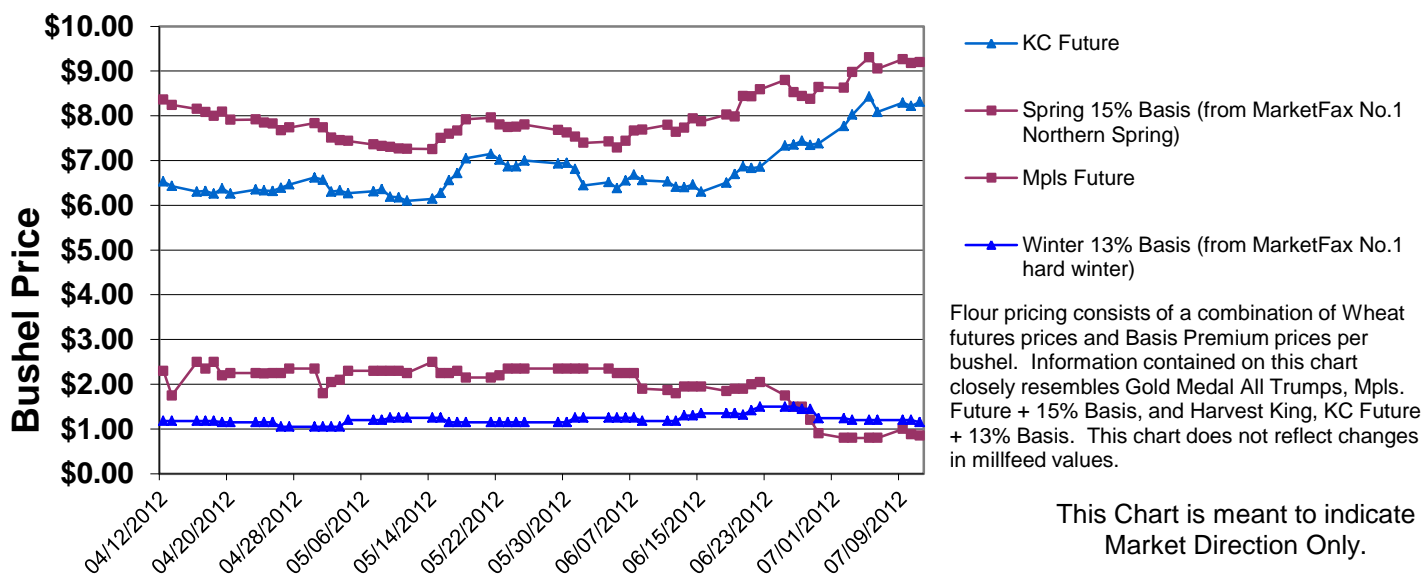
Facts on Flour

Red or White? Perhaps a Blush?

The third major classification category for wheat is bran color – red vs. white. The difference in bran color between wheat types is simply a difference in genetic traits. In the United States we have seen a slight switch of usage from red wheat to white wheat over the past several years. The main reasons for this change? The farmer yields slightly more per acre (maybe 2-3 bushels), a flour miller can yield more flour per bushel and the taste is slightly “sweeter” compared to flour milled from red winter wheat. Recent focus on the nutritional benefits of whole grains makes the “sweeter” taste of white wheat a good alternative to the traditional red wheat flours for milling whole wheat flours, especially for young consumers, or those who tend not to appreciate the flavor of a whole grain bread product.

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Futures & Basis Markets



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