

# FLOUR FACTS

Information Provided by General Mills Professional Baking Solutions  
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## Weekly Market Highlights

AUGUST 2, 2012

- Wheat futures prices and basis premiums moved lower this week. The news for wheat has not changed: there are ample world supplies, the crop is in good condition and this week Australia's rainfall likely added to the balance sheet.
- Good progress is being made as the spring wheat harvest continues.
- Drought in Kansas, Oklahoma and Nebraska has left each of the states' soil moisture rated only 4% adequate.
- A major factor in lowering flour prices this week has been historically high millfeed values. Millfeed, a bi-product of the milling process, is sold as a credit against flour pricing that can significantly reduce flour's ultimate cost.
- As corn prices have soared millfeed has been a good substitute for more expensive alternative animal feed sources. This week an extraordinarily volatile millfeed market has affected flour prices to extents we have never seen before.

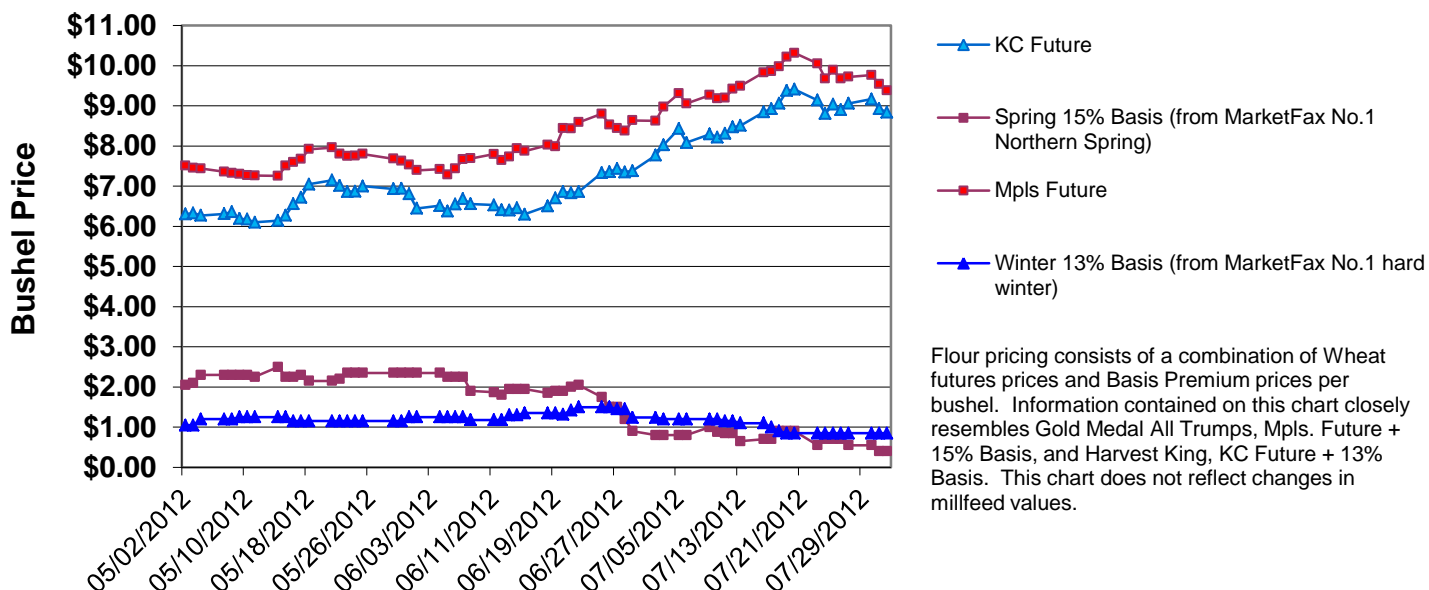
## Facts on Flour

### Soft Red Winter (SRW)

Soft Red Winter Wheat is grown in the eastern third of the United States. SRW is high yielding wheat, but relatively low in protein, usually about 10%. SRW is used for cakes, pastries, flat breads, crackers and snack foods. This fall-seeded wheat comprises about fourteen percent of U.S. wheat exports.

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## Futures & Basis Markets



This Chart is meant to indicate Market Direction Only.

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Experience inspires confidence.

