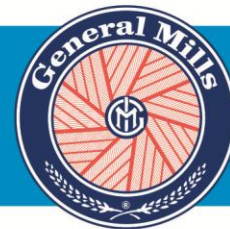




FLOUR FACTS

Information Provided by General Mills Professional Baking Solutions
ProfessionalBakingSolutions.com



Weekly Market Highlights

OCTOBER 17, 2013

- Wheat futures prices are a bit lower this week, giving back their gains and returning to levels we saw early in October.
- High protein spring wheat basis levels also fell, somewhat surprisingly.
- The spring wheat harvest has been completed in the U.S.
- Again this week a lack of Government reporting has left an informational void and lead to speculation about volatility returning to the market with the information these reports provide.
- Wheat futures prices may find it difficult to completely ignore the record corn crop harvest once updates are released.

Facts on Flour

The Truth About Futures

While even the most experienced traders are, at times, befuddled by the apparent chaos and volatility amid the noise and confusion, the workings of the grain futures markets are actually rather orderly, highly regulated and very important to the efficient function of the grain and milling industry.

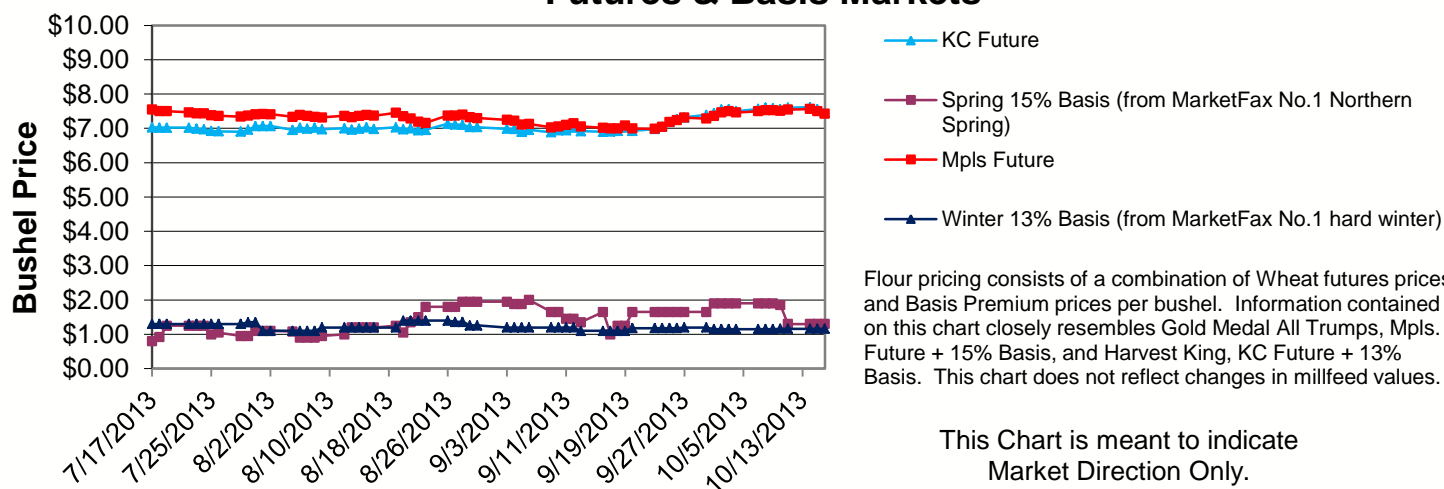
Futures satisfy three very critical economic needs;

1. Price determination in a fair and open marketplace where all participants have equal access.
2. Allocation of grain supply over the entire crop year.
3. Risk avoidance for mills and other participants through “hedge” positions that “insure” against decreases in the value of stored grain.

In the absence of futures markets, grain and flour prices would almost certainly be determined less honestly and efficiently. Supply and prices would be less consistent since there would be no way to encourage sellers to defer grain sales to “future” positions during times of surplus, and, grain traders, millers and buyers of flour would shoulder huge risk in owning wheat and flour.

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Futures & Basis Markets



Professional Baking Solutions is your trusted partner in baking — providing quality products, innovative business solutions and technical support to baking professionals. With product solutions for cakes, pizzas, bagels and breads, we're backed by trusted brands and recognized industry experts to offer a holistic approach to build your business.

Experience inspires confidence.

