



# FLOUR FACTS

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

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- Wheat futures and basis premium prices are higher this week on increased demand for export and lack of movement of wheat to market.
- Export demand for U.S. wheat primarily for Brazil and China is supporting increased wheat futures prices.
- In the USDA's first Crop Progress report since returning to their offices, winter wheat planting was reported to have made great progress. Planting in Kansas was more than 87% complete, 61% of the crop emerged, and 63% rated good to excellent.
- It is possible wheat prices will continue to find support at these levels until completion of the fall harvest. Producers are not willing to sell at prices below their expectations.

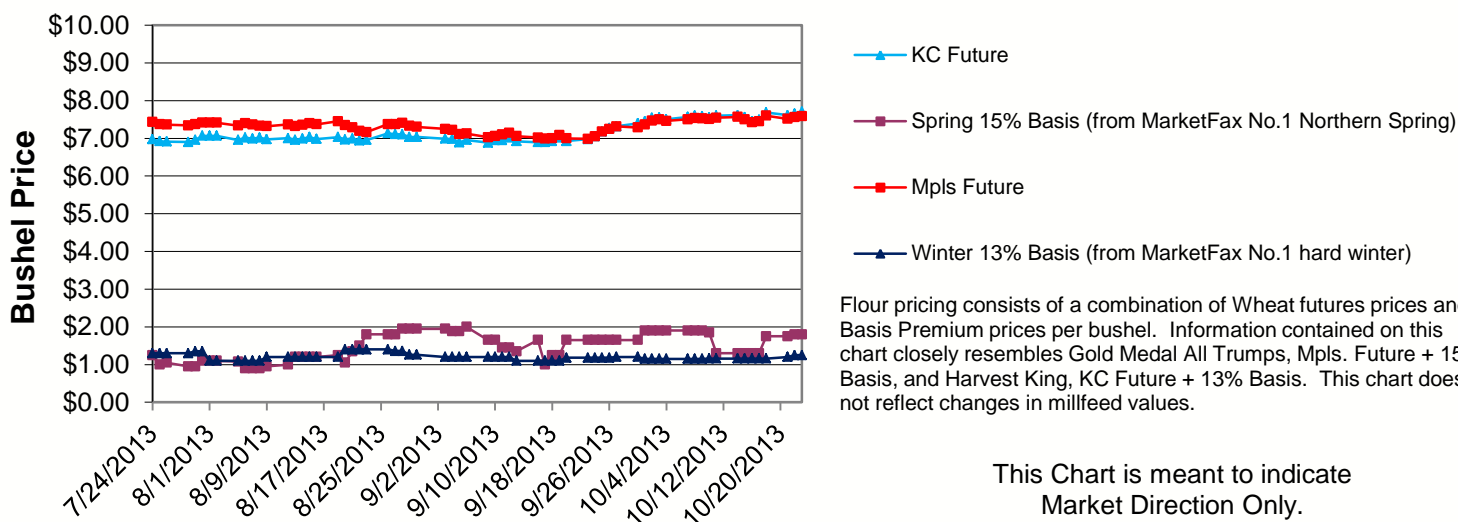
## Facts on Flour

### The Impact of Millfeed

Have you ever looked in the wall street journal and saw the futures price of wheat falling but the price of flour remains the same or even rises? Part of the reason can be falling millfeed pricing. When we mill wheat we utilize the entire wheat kernel, approximately 75% is flour but the remaining portion is sold as animal feed. This animal feed, or millfeed as we call it, competes with other feed ingredients such as corn. If corn prices are low (almost half of all corn grown is used as animal feed) millfeed prices will also be low. That "credit" that we get by selling the millfeed will not be as great thus forcing the price on the flour to go up. Conversely if corn, or other feed ingredients are higher priced we get a better millfeed recovery which offsets more of the price of the wheat thus lowering flour prices.

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## Futures & Basis Markets



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