

FLOUR FACTS

Information Provided by General Mills Professional Baking Solutions
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Weekly Market Highlights

DECEMBER 12, 2013

- Wheat futures prices have been declining steadily since our last report, reacting to good worldwide supply of wheat and a confidently-anticipated record world wheat crop. Prices are about twenty cents per bushel lower.
- Basis premium prices are firm to higher, with historically strong moves higher for some spring wheat grades this week. Basis prices react to more localized factors, such as supply and demand or transportation costs.
- Supply of wheat for milling has been a dicey proposition since harvest began months ago due to the dismal performance of the railroads in moving enormous harvests to storage. This has supported the basis at high levels for some time, but now is driving the basis sharply higher.
- Prices to move rail cars have accelerated and high basis levels are considered necessary to incent wheat movement to market.
- Winter weather has exacerbated the poor pace of rail movement. Unless significant improvement is seen very soon flour prices could reflect these increased costs.

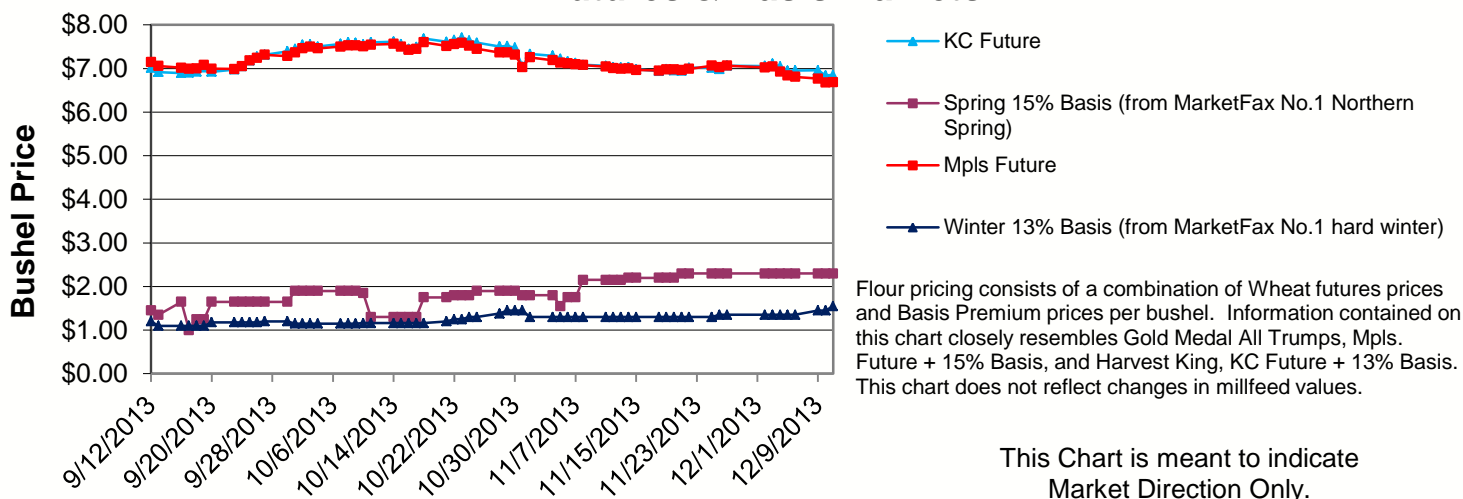
Facts on Flour

Hard Red Winter Wheat

Hard Red Winter Wheat is the largest class of wheat produced in the U.S. Why? Well, when you go to the store to buy that 1 lb. loaf of fluffy white bread, or a bag of chocolate chip cookies, or a 5 lb. bag of all-purpose flour, you're buying Hard Red Winter Wheat. This wheat type has its use across a wide range of baked goods; from pan breads to cookies, from pizza to pie crusts, from doughnuts to soft rolls. Hard Red Winter Wheat has enough protein strength for good strong dough but is mellow enough to deliver a soft texture. Hard wheat can produce all-purpose flour with a protein around 10 percent up to bread flour with a protein content of 12 percent. With the right ingredients, Hard Red Winter Wheat flour can make a wide variety of baked goods. This variety is what makes Hard Red Winter Wheat the largest class of wheat produced.



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.

