

FLOUR FACTS

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Weekly Market Highlights

NOVEMBER 13, 2014

- Wheat futures prices are higher this week and basis premium prices are firm to higher for most grades.
- Much of the gain in futures came Wednesday; lead at least in part by renewed concerns over Russia and the Ukraine.
- High-protein spring wheat and the high-gluten flours produced from it continue to be priced at large premiums to low-protein wheat and flour, a reflection of the lack of protein in the 2013 and 2014 spring wheat harvests.
- Basis levels are supported by winter weather's arrival in the Midwest. Basis could continue to be supported by forecasts for extreme cold and the damaging effect that could cause in wheat rail logistics.
- Many have expected futures prices to decline and have been disappointed as they've continued to find support. We expect some volatility over the coming weeks and months, influenced in large part by the severity of winter weather.

Facts on Flour

Gluten is developed from flour protein. When combined with water under mixing stress, the proteins in the flour will form gluten, which provides extensibility, elasticity and gas-retaining properties to yeast-leavened baked goods. The quantity of gluten is proportionate to the amount of protein in the flour, so gluten increases as the protein content increases.

Wheat flour is unique because it is the only cereal grain that possesses gluten-forming proteins – gliadin and glutenin. These comprise roughly 80 percent of the total wheat protein. The remaining proteins in flour are non-gluten forming and contribute nothing to dough strength.

The major flour types and their relative protein levels are:

 High Gluten
 13.5-14.5%
 Pastry.....
 8-10%

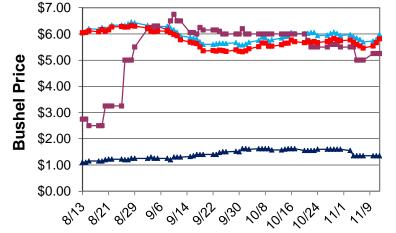
 Bread.........
 12-13%
 Cake.......
 7-9%

All Purpose 10-12%

To buy flour purely by a protein specification will not necessarily guarantee baking performance. Protein quality is a key component and will be discussed next week.



Futures & Basis Markets



KC Future

Spring 15% Basis (from MarketFax No.1 Northern Spring)

Mpls Future

→ Winter 13% Basis (from MarketFax No.1 hard winter)

Flour pricing consists of a combination of Wheat futures prices and Basis Premium prices per bushel. Information contained on this chart closely resembles Gold Medal All Trumps, Mpls. Future + 15% Basis, and Harvest King, KC Future + 13% Basis. This chart does not reflect changes in millfeed values.

This Chart is meant to indicate Market Direction Only.

General Mills Foodservice 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.

