



FLOUR FACTS

Information Provided by General Mills Foodservice
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Weekly Market Highlights

JANUARY 21, 2016

- Wheat futures fell further below the \$5.00 per bushel level this week. Basis premium values are firm to higher for nearly all grades of U.S. wheat.
- We see this offset pattern over and over in years where world wheat futures prices are deflated, the domestic basis moves higher in an effort to keep wheat sales moving.
- Market participants tried to understand the effect, if any, that plummeting world futures exchanges lead by China could have on wheat values.
- U.S. wheat exports are extremely small at this time. While this keeps the pressure on wheat prices, money arriving to commodity markets from other disappointing investment arenas can lead to counter-productive price moves higher.
- Extremely low oil prices interfere with ethanol and biodiesel profitability, removing support from corn prices and subsequently, wheat prices.

Facts on Flour

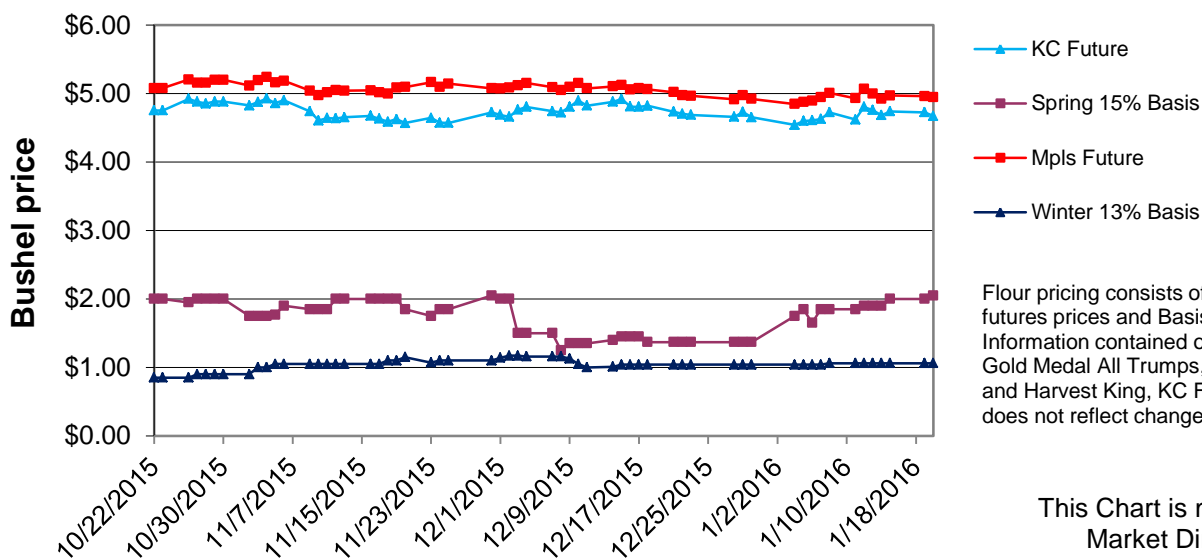
Durum Wheat

Most of the durum wheat grown in the U.S. is produced in the northern Plains, with 70 to 80 percent grown in North Dakota alone. Durum wheat is milled into a granular product called semolina, which is used primarily for pasta products in the U.S. Other uses of semolina include couscous and bread products.

Pasta products from durum are superior because of the desirable golden color and nutty flavor, and because they hold their shape and firm texture when cooked. A by-product of semolina production is durum flour, which is used in breads and pre-cooked pasta products.

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Futures & Basis Markets



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.

Experience inspires confidence.

