AVA Group International

Grain & Oil Seed & Veg. Oil & Feedstuff

Research & Marketing Department

Week 46 - Friday, 19th Nov.2010

Forex
Global Markets
US Market
European Markets
German Market
Argentinian Market
Black Sea Markets
Headline-News

Head Office : Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's : ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com

Forex Trading

✓ Nov 19, 2010 - EURUSD - Trading strategy:

The euro holds above 1.3600 and is currently facing intraday resistance around 1.3650, after it climbed yesterday on Ireland optimism. Next resistance region comes around 1.3750 which served both as support and resistance in the last weeks and current price action suggests further gains towards the said barrier; therefore, break above 1.3650 could provide buying opportunities, with stops into/below the 1.3570/00 region. It is Friday already and today's notable events in the forex economic calendar are Bernanke and Trichet's speeches. I remain neutral on the euro on a short-term basis and rather look at some better-performing pairs – and Cable is one of them right now, as a break above the falling trendline connecting previous 2 weekly tops is possible. Another is the AUD/JPY which found support at 82 and is likely to re-challenge 82.70-83.00. GBP/CHF doesn't look bad either, as 1.5800 was a solid support since 2009 and it was breached again from the downside this week – event favoring further upside action towards 1.62+. Current exchange rate is 1.3670 @06:53 GMT

Support: 1.3600, 1.3550/70, 1.3500, 1.3450/60 and 1.3400
Resistance: 1.3650/70, 1.3700 and 1.3800/20
Market sentiment: long term – mixed, medium term – bullish, short term – bearish, intraday – bullish

✓ Nov 19, 2010 - EURUSD: Remain Short Through Upswing :
Strategy: Short at 1.3762, Targeting 1.3310
Weekly Profit/Loss: +54 pips

Last week, we sold EURUSD at 1.3762 as the pair put in a bearish Three Black Crows candlestick formation and broke through support at the bottom of a rising channel established from early October. Prices found interim support below the 1.35 figure have now recovered to probe above the 23.6% Fibonacci retracement of the 11/4-11/16 downswing at 1.3644. We see current gains as corrective and will remain short, continuing to target 1.3310. A stop-loss will be activated on a daily close above the 1.40 figure.

✓ Nov 19, 2010 - EURO (EUR) : The Euro strengthened against the dollar as Brian Lenihan Irish finance minister said he would welcome a "substantial contingency capital funding" mechanism for Irish banks. The idea of contingency funds is welcomed far more for banks than for states. The euro rallied more than 100 pips against the USD. The current account came out worse than expected at -13.10B vs -2.20 expected. With The pair returning to above the level of 1.3600 the trend is bullish and a long position is preferred. Overall, EUR/USD traded with a low of 1.3542 and with a high of 1.3667. Today, ECB President Trichet is expected to speak.

✓ Nov 19, 2010 - EURUSD : Trading strategy: standing aside

The euro holds above 1.3600 and is currently facing intraday resistance around 1.3650, after it climbed yesterday on Ireland optimism. Next resistance region comes around 1.3750 which served both as support and resistance in the last weeks and current price action suggests further gains towards the said barrier; therefore, break above 1.3650 could provide buying opportunities, with stops into/below the 1.3570/00 region. It is Friday already and today's notable events in the forex economic calendar are Bernanke and Trichet's speeches. I remain neutral on the euro on a short-term basis and rather look at some better-performing pairs – and Cable is one of them right now, as a break above the falling trendline connecting previous 2 weekly tops is possible. Another is the AUD/JPY which found support at 82 and is likely to re-challenge 82.70-83.00. GBP/CHF doesn't look bad either, as 1.5800 was a solid support since 2009 and it was breached again from the downside this week – event favoring further upside action towards 1.62+. Current exchange rate is 1.3670 @06:53 GMT

Support: 1.3600, 1.3550/70, 1.3500, 1.3450/60 and 1.3400
Resistance: 1.3650/70, 1.3700 and 1.3800/20
Market sentiment: long term – mixed, medium term – bullish, short term – bearish, intraday – bullish

Head Office : Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's : ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com

✓ Nov 19, 2010 - Daily Forex Summary on US Dollar, Euro, Sterling, Japanese Yen, Canadian Dollar, Aussie Dollar and New Zealand Dollar:

The **US dollar** initially weakened as news broke that the debt crisis in Ireland may soon be resolved sparking a euro relief rally, but was short lived as US stocks rallied ahead of the highly anticipated IPO from GM. Also supporting the greenback was the release of a much higher than expected Philly Fed manufacturing survey rising to 22.5, well above expectations for a reading of 5.0. Look for the US dollar to continue to remain pressured though due to yesterday's core consumer inflation figure only rising 0.6 percent from a year ago, the smallest increase since records started in 1957. This will cement the call for the Fed to execute on all of its $600 billion of quantitative easing.

The **euro** pushed higher as news came that Ireland will receive loans to ease its banking debt crisis. Ireland's central bank chief said he expected Dublin to receive tens of billions of euros in loans from European partners and the IMF. The gains in the single currency are thought to be short lived as concern remains over the risk of contagion to the rest of Europe with some analysts saying that even with a solution reached in Ireland, other peripheral euro zone economies like Portugal may come into play.

Sterling rose against the dollar after the release of strong UK retail sales and strong improvement in factory orders by the Confederation of British Industry. Official data showed British retail sales rose 0.5 percent in October, recovering from a 0.2 percent fall the previous month. A survey by the Confederation of British Industry also showed the total order book balance rose to -15 this month from -28 in October, above expectations for a reading of -24. In other news, yesterday's minutes from the Bank of England's latest policy meeting suggested better fundamentals and the potential of high price risks would keep quantitative easing at bay.

The **Japanese yen** continued to weaken against the US dollar after the Japanese cabinet office released its November monthly economic report. The assessment of the economy remained unchanged with the unemployment rate remaining high. Look for USD/JPY to hold above 80.20.

The **Canadian dollar** strengthened against the greenback after the release of domestic data showed Canada's leading indicators rose 0.2 percent in October after dropping in September, while wholesale trade rose 0.4 percent in September. Also assisting the commodity linked currency was optimism that Ireland may soon see a resolution to its debt issues. Look for the Canadian dollar to continue to track news out of Ireland as the currency tries to push below parity.

The Australian and New Zealand dollars strengthened supported by upbeat comments from a top Australian central banker and the release of stronger producer prices out of New Zealand. Deputy Governor Ric Battellino said Australia is set to grow briskly thanks to booming commodity exports and mining investment. In New Zealand, third quarter producer prices, a measure of wholesale inflation, rose 0.7 percent. Look for both currencies to continue to strengthen as gains in Chinese stocks boost trade from Australia's largest export market coupled with a stronger 2011 outlook for New Zealand lifting the kiwi.

10-Year Treasury Note Yield: 2.745%

Dow Jones Industrial Average: 11,184.26 + 177.96

This market summary is prepared by Union Bank's Global FX Department for the general information of its customers. It is based on the most accurate information currently available, but should not be considered investment advice or a guarantee of future exchange rates or trends.

Global Markets

On the international stage, Egypt bought yesterday 175 000 tons of wheat including 120 000 tons of SRW U.S. at 268.50 $/FOB and 55 000 tons of HRW at 284.75 $/FOB. The weekly export figures for U.S. were higher than expected in wheat and soybeans. Japan purchased 130 896 tons of wheat from Canada and Australia.

Stocks finish wild week with a modest gain :

U.S. stocks finish a volatile week with modest gains on Friday, finishing flat for the week as a whole.

In the absence of major economic data in the U.S., investors focused on moves by China to rein in their inflation, while Ireland continues to negotiate a bailout arrangement from the European Union and International Monetary Fund.

The Dow Jones Industrial Average rose 22.32 points, or 0.20 percent, to 11,203.55. The S&P 500 index edged up 3.04 points, or 0.25 percent to 1,199.73 and the Nasdaq gained 3.72 points, or 0.15 percent to 2,518.12.

The Central Bank of China raised its reserve requirement ratio by 50 basis points. It was the fifth time this year the central bank has raised the reserves ratio.

Speaking in Frankfurt, Germany, Federal Reserve Chairman Ben Bernanke defended the central bank's plan to stimulate economic growth through the purchase of bonds.

Salesforce.com (NYSE: CRM) surged 18.1 percent to a record high after the company reported sales that shattered analysts' expectations and also provided a bullish forecast for the current quarter.

Dell (NASDAQ: DELL) rose 1.68 percent after posting good quarterly profits late Thursday.

Del Monte Foods (NYSE: DLM) soared 11.46 percent on news that private equity firm Kohlberg Kravis Roberts & Co. is in advanced talks to purchase the company.

AnnTaylor Stores (NYSE: ANN) gained 8.5 percent after its third-quarter profits and revenues beat Wall Street estimates.

Oil and gold fell modestly.

Bond prices rose as the yield on the 10-Year Treasury slipped 2.87 percent from 2.90 percent late Thursday.

European/UK stock indices were mixed.

Head Office : Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's : ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com

✓ **Nov 19, 2010 - South Korean stock values dampened by corporate governance issues :**

South Korean companies demonstrate enormous potential and yet many of them trade at a significant discount to their Asian and global peers.

Jesper Madsen, a portfolio manager at Matthews International Capital Management in San Francisco, said that consequently South Korean can be a frustrating place for foreign investors.

"My last visit to Korea reminded me of why equities of Korean companies are often not priced in line with the value they create," he said.

"There have been many attempts to rationalize the discount, with explanations ranging from threats posed by an unpredictable North Korea to the cyclicality of many Korean businesses."

However, Madsen believes the issue of corporate governance may be the biggest factor.

"The crux of the problem as I see it comes down to the basic question of who the true owner of the business is, and furthermore, which stakeholder gets to decide how capital is allocated within the company," he posed.

The issue, he states, is encapsulated in the dividend yield of the Korean market.

"At just 1 percent, the dividend yield of Korea's market is among the lowest in the region despite the fact that Korean companies in the MSCI Korea Index are trading at about 10-times their estimated 2010 earnings [versus 15-times earnings for the broader MSCI All Country Asia Pacific Index]" he indicated.

Or, to put it another way, Korean companies are good at generating earnings, but they fail at paying a fair share of these earnings to minority shareholders.

"This is not just of relevance to investors seeking income, but to all investors in Korea," Madsen said.

"Korean equities have tended to be priced at a persistent discount begging the question of whether this is indeed a discount or perhaps just fair value for a set of companies that will need to improve their corporate governance to be valued fully."

Madsen notes that to understand the reluctance of some companies to pay minority shareholders a fair dividend, it is helpful to look at Korea's history and the structure of the capital markets.

"Small- and mid-sized companies have historically been (and continue to be) overly reliant on banks for financing -- a precarious position during times of crisis when banks recall loans or become unwilling to roll over short-term finance used for working capital purposes," he indicated.

"Smaller companies therefore hoard retained earnings for precautionary reasons. While it is prudent to ensure access to capital to withstand short-term economic and financial volatility, many companies take this to an extreme."

Larger Korean companies, he explains, were traditionally structured as conglomerates known as a "chaebol," which would often be an intricate network of companies held together by cross-ownership and a dominant family and main shareholder. In this structure, capital was kept within the group to finance the various group businesses.

"In this scenario the cash flow of companies was often diverted to other business within the group of companies, rather than paid out to minority shareholders," Madsen said.

"Since the Asian crisis, Korean lawmakers have attempted to close some of the most direct means of intra-chaebol capital transfers, and regulations now support 'holding companies' that better align the interest of minority shareholders with company insiders and dominant shareholders."

However, he adds, while regulation has been greatly improved, the general mindset has not yet shifted.

"In many cases this has left the management of larger companies with a tendency to retain earnings for no seemingly valid reason, at times engaging in investments that may be detrimental to shareholder value," Madsen stated.

Madsen concedes that Korea boasts great companies in Korea, some of which are changing their ways.

"As investors we look at the improvement occurring at the margin and remain hopeful that Korean companies are moving in the right direction as they embrace better capital management and corporate governance practices," he stated.

"If and when this occurs, Korean companies may finally be priced in accordance with the value they create."

✓ **Nov 19, 2010 - Paris Club cancels more than half of DR Congo's debt :**

The Paris Club of creditor nations and Brazil have agreed to cancel $7.35-billion of debt owed by the Democratic Republic of Congo (DRC), representing more than half of the nation's foreign debt.

The agreement came after a meeting between Paris Club members and senior officials from the DRC government.

The Paris Club said that the agreement to write-off DRC's debt was made in order to contribute to the country's debt sustainability, but it listed problems it wants addressed. The statement said "Paris Club creditors expressed their concern over the business environment and urged the DRC to carry out further reforms to improve governance, strengthen the rule of law, and fight corruption".

DRC has also called on its remaining creditors to write off their debts at a similar ratio. The country's foreign debts totaled about $13.7 billion at the end of 2009, roughly the same size as its economy.

Earlier this summer, The World Bank and International Monetary Fund (IMF) agreed to support debt relief for Congo under the Heavily Indebted Poor Countries initiative. Last month, the IMF said it expected the African nation's debt to fall to about $3 billion by the end of this year.

Formed in 1956, The Paris Club is an informal group of creditor governments from major industrialized nations.

DRC, the third-largest country in Africa, boasts immense natural resources, but is still reeling from the after-effects of a bloody a civil war between 1998 and 2003. The eastern region of the country remains plagued with significant militia violence.

The DRC is seeking to achieve political stability as it embarks on an ambitious economic program ahead of presidential and primary elections in 2011.

Chicago Grain Futures

✓ **Nov 19, 2010 -** Grain futures closed lower Tuesday on the Chicago Board of Trade after China tightened its monetary policy to slow inflation.

Corn was off 20 to off 21, soybeans were off 38 to off 40 1/2, wheat was off 1/4 to off 3/4 and oats were off 2 to off 3.

Corn futures dropped despite the dollar index falling 0.12 percent as the People's Bank of China raised its bank reserve ratio for the second time in two weeks. Wheat prices fell slightly finding support from a forecast of continued dry weather in winter wheat areas. Soybeans prices plunged as China said it would sell from its soybean reserves next week.

The prices:

Corn: Dec. 5.20 3/4, off 21; Mar 5.34 3/4, off 21; May 5.42, off 20 1/2; Jul 5.45 3/4, off 20.

Soybeans: Jan 12.01 1/2, off 40 1/2; Mar 12.09, off 40 1/4; May 12.10, off 38 1/2; Jul 12.12, off 38.

Wheat: Dec 6.44 1/2, off 3/4; Mar 6.84, off 1/2; May 7.08 1/2, off 3/4; Jul 7.20 1/4, off 1/4.

Oats: Dec 3.53 1/4, off 2 1/4; Mar 3.66, off 2; May 3.71 3/4, off 2; Jul 3.76, off 3.

Corn	Dec. 5.20 3/4, off 21; Mar 5.34 3/4
Soybeans	Jan 12.01 1/2, off 40 1/2; Mar 12.09
Wheat	Dec 6.44 1/2, off 3/4; Mar 6.84, off 1/2

✓ **Nov 19, 2010 - Chicago grain prices tumble as China moves to curb inflation :**
Some traders expected China would further raise its benchmark interest rate given no apparent ease in inflation level.

China is the biggest consumer of soybeans and wheat, and the second largest user of corn. Corn and soybeans surged earlier this month to the highest prices in two years as growth accelerated in China.

Moreover, the grain prices also fell as rain improved prospects for crops in South America, where soil moisture had been depleted by dry weather earlier this year, said a market trader.

Parts of Brazil got as much as three 7.6 centimeters of rain in the past 24 hours and most of the growing region would have showers during the next two weeks. Besides, some fields in Argentina got as much as 0.8 inch of rain in the past 24 hours with more expected in the next week, World Weather Inc. Friday said in a report.

Australian Market

✓ **Nov 19, 2010 - Australia counts cost of selling off the farm :**
PERCHED a couple of metres above mostly bumper crops in their half-a-million-dollars-when-new combine harvesters this weekend, about the only thing the nation's grain farmers will not have at their fingertips is pricing certainty.

For those who can afford the flashest new machines, they come with global positioning systems, fighter plane-style controls, computer readouts showing crop moisture levels and harvesting rates, air-conditioning and radio communications - even huge floodlights to allow harvesting after sunset.

What they cannot do is protect farmers from the storm-tossed seas of politics (local and global), weather and freewheeling markets.

In the past week, for example, the Australian Bureau of Agricultural and Resource Economics' quoted price for Australian Standard White wheat has edged back from just short of $US300 a tonne to about $US275.

There are signs that prices will push higher as global crop estimates are outstripped by expected demand. With the US and much of Europe still struggling to find the right spark-plugs for their stuttering economic engines, the hopes of Australia and the rest of the world revolve around China's demand for commodities, soft and hard.

China, though, is wrestling with soaring inflation. Not only food prices are spiralling upwards, but the rising price of cotton threatens to undermine one of its chief sources of foreign income - cheap clothing. In turn, Beijing's attempts to rein in cotton, wheat, rice and other prices by selling from stockpiles is unsettling markets.

Then again, most agricultural commodities have benefited this year, some doubling in price, after first Russia, then Ukraine, Pakistan, India and others began restricting exports due to weather slashing crop sizes. As harvesting season in Australia swings into gear, the pricing gyrations are worrying Australia's growers. Wheat farmers, many of whom already have tonnes of unsold grain in storage from their last crop, are already twitchy because the drought-breaking rains that have boosted crop yields in many areas are still coming, and threatening to lower this year's crop values.

"This year we're going to see a significant decrease in high protein wheat in NSW and Queensland because of the weather," says an industry analyst, Lloyd George, from AgIntel.

George says that while early rain was good for rapid growth, the later rains reduce the protein content, which means less wheat is of the right quality for milling - one of the reasons why the grains marketer AWB warned this week that there would be a lot more wheat destined for feeding livestock this year.

Australia's 2009 wheat crop suffered not from lack of quality or demand but that the cost of producing and transporting it was above the market price, which had been driven down by a preparedness of cash-starved farmers, in economies still struggling in the wake of the global financial crisis, to sell at almost any price.

Increasing volatility in world markets just adds another layer of complexity for farmers trying to sell their crops - making some yearn for the return of

Head Office : Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's : ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com

the old crop export monopolies of entities like the AWB when it was the Australian Wheat Board. Those boards would undertake to buy almost all the output of farmers, and sell it for them on world markets. That meant growers were removed from some financing risks, and having to organise trucks, trains and silos for storage. They also received the benefits of market intelligence on things like what types of grains to sow.

While only 20 per cent of global wheat production is exported, Australia has 10 per cent of that market and is about the fifth largest exporter sending more than $5 billion a year of grain and flour offshore. Not only was the AWB's fiefdom, known as the single desk, abolished in mid 2008 by Canberra, but as of this week the company's days are numbered thanks to an agreed takeover by the Canadian fertiliser combine Agrium.

A Riverina farmer, Jock Munro, an outspoken opponent of the changes at AWB who even turned up to last year's annual meeting in Melbourne wearing his clan kilt, rejects arguments that competition and pricing transparency mean he is better off.

"Under the old arrangement, we had an estimated pool return … the whole crop was virtually accounted for," said Munro from his Rankins Springs property while repairing machinery during a rain-induced break in harvesting. "Now, it means that I am under a lot of stress, because I am worried that the market [price] will collapse."

Munro said he could sell forward all, or part, of his crop - but that only added to the level of anxiety because if the weather turned against him then he would come up short on the amount of wheat he was contracted to deliver - meaning that he would have to dig into his pocket to either make up the difference or organise to buy wheat elsewhere to make up the shortfall.

In October the Productivity Commission pronounced the deregulation of the wheat market as working so well that Wheat Exports Australia, which oversees the exporters of bulk wheat, should be abolished next September. In spite of the fact that WEA releases no data from the 25 exporters it has approved, nor are the licensing application or surrender processes discussed, the commission argues that the market is now more transparent in terms of pricing.

There are now 25 registered exporters with WEA being wound up next year. The AWB board's decision to chase the highest dollar return for shareholders was understandable to most, although clearly not to many growers who once had veto power over its actions. Some would have preferred AWB's earlier plan to merge with Graincorp to produce a "national champion" with strength in wheat and barley, and rural services.

Competition policy has, however, long supported free-market outcomes and there has been no attempt by governments to intervene in the acquisitions of AWB or other groups in the agricultural and food chains on "national interest" grounds. Canberra's acquiescence is, however, an interesting contrast to the rationale of Canadian industry minister Tony Clement's rejection of the $US40 billion bid from BHP Billiton bid to buy the Saskatchewan-based Potash Corp. BHP had identified potash, used in crop fertilisers, as a key market for the future.

Clement said the issue was one of net benefit to Canada, which most assumed meant fears of lost votes for the government if income from taxing potash production fell and BHP opted not to create jobs by developing its own deposit of the mineral.

There was a suggestion, though, that a strategic advantage to remaining in control of its exports of potash was also factored into the rejection: "BHP did not demonstrate to my satisfaction that their plans to market potash would enhance Canada's already prosperous position to compete internationally," said Clement last Sunday.

In just 12 months Agrium has moved on AWB, fellow Canadian group Viterra has spent $1.6 billion buying barley group ABB Grain, CSR's sugar business has been auctioned off to the Singaporean company Wilmar for $1.75 billion, and the SunRice group is about to be swallowed by Spain's Ebro for more than $300 million. Service companies, like Elders and Nufarm, are struggling to compete against mostly foreign-owned rivals.

Much of the dairying industry, from farm gate to supermarket shelves, was carved up by Japan, Europe and New Zealand over the previous decade. It all suggests that other countries are far more aware than Australia that food production, and the companies that support it, will become more valuable this century and beyond - especially in a world where population pressure and environmental degradation issues will make them more scarce.

"Food security" - a phrase rarely heard half a decade ago - is becoming a public issue. Politicians are scrambling to formulate policies, suggesting that their polling and talkback radio are reflecting public concerns.

Gingered by the Greens senator, Christine Milne, in the election campaign, the Labor minority government promised a National Food Plan "from paddock to plate", formally committing to it in the contract to secure government that the Prime Minister, Julia Gillard, signed with the independent MPs Rob Oakeshott and Tony Windsor.

The Assistant Treasurer, Bill Shorten, waded into the fray this week with heavy hints that he is about to order an audit to test anecdotal evidence that foreign investors are literally buying up the farms.

In fact, the government had quietly commissioned Treasury boffins "a while ago" to advise on "the best way to proceed with a review of foreign-owned farmland", according to one insider.

Australia's woefully opaque Foreign Investment Review Board, a subset of Treasury, has no idea who owns what because a farm acquisition has to cost an incredible $230 million before it blips on the radar. What that really means is that there is no policy on farm ownership. That figure is the bar set for notifiable corporate takeovers.

"The government determines what is 'contrary to the national interest' by having regard to community concerns. Reflecting community concerns, specific restrictions on foreign investment are in force in more sensitive sectors such as residential real estate, banking, telecommunications, shipping, civil aviation, airports and the media," says the guide on FIRB's website.

The inclusion of residential real estate there reflects the fact that FIRB did not know the answers earlier this year either when a near-xenophobic public outcry sprang up over reports that a driving force behind house prices moving beyond the reach of many was that they were being snapped up by wealthy and eager Asian investors.

As it turned out, after months of work, no evidence has emerged of systemic rorting. Many of the "foreign" buyers were citizens, just of non-Anglo ethnic origins.

Not that the community reaction was unusual. Similar defensiveness has emerged in the US, Europe and elsewhere in the wake of the financial crisis. In spite of warnings from supporters of borderless commerce not to erect trade walls, some politicians in those countries are actively pursuing policies that walk and quack like protectionist ducks.

There is a growing perception that Australia may now be reaping what successive governments sowed when trying to raise the country's standing in world forums through behaving as a good global citizen. Having signed up to every free trade agreement going, disbanded commodity marketing boards, dropped tariffs and quotas on imports, and thrown the door wide to almost every type of foreign investment it is hard to stem the tide.

As a Chinese delegation once asked the boss of a (no longer) large Australian clothing manufacturer after he proudly recounted the nation's tariff-abandoning behaviour: "What did you get in return?".

Shorten's demand of the Treasury department that it look at whether an audit of farm ownership was needed, and the so far ill-defined food plan, suggest that the government wants to short-circuit a re-run of the home-ownership hysteria.

In recent days, the independent senator Nick Xenophon has signalled his plan to introduce a private member's bill designed to bring foreign investment rules here into line with NZ, where foreign acquisitions of "sensitive land" in parcels larger than 5 hectares need government consent.

That sort of proposal might even get support from the Coalition. Small surprise, then, that Shorten is understood to have invited Xenophon to his office midweek to discuss the issue with Treasury officials specially summoned for the occasion.

Xenophon will not discuss the meeting, but says that he believes Shorten is "taking concerns seriously" - a compliment the senator does not extend to FIRB.

His fellow senator Joe Ludwig took over the agriculture ministry for Labor in the new government and is head chef for the food plan - although he is weeks from even choosing the ingredients, let alone serving it up.

Curiously, one of the parties nominated early on by the government to "provide input" was retailer Woolworths which, while it has a commanding presence as a buyer of locally grown meat, fruit and vegetables, is also one of the reasons why Australia is importing increasing amounts of processed food - like the other supermarket chains, it is expanding its range of high profit margin, "own brand" products by sourcing them as cheaply as possible from suppliers around the world.

That kind of behaviour is at the nub of protectionist arguments - how long, they say, before we cannot produce sufficient food because local producers become unviable or their output is directed to the benefit of other nations by companies whose only loyalty is shareholders?

Canadian Market

✓ **Nov 19, 2010 -** The following are the Canadian Wheat Board's wheat export prices, in Canadian dollars per metric ton, instore Baie Comeau, St. Lawrence, Atlantic and West Coast areas. Canadian Western Red spring (CWRS), Canadian Western Amber Durum (CWAD). (N/A - no price quoted by the CWB) Source: Canadian Wheat Board.

Grade	Thunder Bay	St. Lawrence	Baie Comeau	Atlantic	West Coast
1 CWRS 13.5%	313.47	371.40	371.77	383.67	N/A
1 CWRS 12.5%	304.77	N/A	N/A	N/A	N/A
1 CWAD 13.0%	352.58	387.30	N/A	N/A	N/A

All prices in Canadian dollars per metric ton.

The following are the Canadian Wheat Board's wheat export prices,
in Canadian dollars per metric ton, instore Baie Comeau,
St. Lawrence,
Atlantic and West Coast areas.

Canadian Western Red spring (CWRS),
Canadian Western Amber Durum (CWAD).
Source: Canadian Wheat Board.

Grade	Thunder Bay	St. Lawrence
CWRS 13.5%	313,47	371,77
CWRS 12.5%	304,07	N/A
CWAD 13.0%	352,58	N/A

Grade	Baie Comeau	Atlantic
CWRS 13.5%	383,67	N/A
CWRS 12.5%	N/A	N/A
CWAD 13.0%	N/A	N/A

Head Office *: Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY*
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's *: ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com*

✓ **Nov 19, 2010 -** The following are the closing cash grain prices from ICE Futures Canada.

Values are based on the commodity being delivered at Thunder Bay, Ontario, unless otherwise noted.

Source: **ICE Futures Canada**

	Price	Change
CANOLA		
*Par Region	498.47	dn 8.50
Basis: Thunder Bay		
1 Can	528.90	up 13.30
2 Can	515.90	up 13.30
Basis: Vancouver		
1 Can	554.90	up 13.30
2 Can	541.90	up 13.30
FEED WHEAT		
Lethbridge	178.00	unchanged
Can Feed	208.00	up 5.00
WESTERN BARLEY		
Lethbridge	178.00	unchanged

All prices in Canadian dollars per metric ton.

✓ **Nov 19, 2010 - US Wheat Market Aided by Canada :**

The wet conditions that plagued the Canadian prairies throughout the growing season had a negative effect on the durum wheat crop. However, that could be good news for US producers.

Jim Peterson, marketing director with the North Dakota Wheat Commission in Mandan, ND, said there will be some advantages for US producers, given the below average crop north of the border.

"We had a large crop and I think our grade profile is certainly better than what the 2010 Canadian durum crop is, although it's not the best we've ever seen," Peterson said.

Peterson said export sales have been hitting a bit of a skid of late, thanks to some events taking place in Africa.

"The big challenge for both markets is what happens with Algeria and what happens there," he said. "The government is trying to force millers to use their domestic crop, which would hamper private imports."

The wet conditions across Canada - and even parts of the US for that matter - have resulted in a significant portion of durum wheat to be classified as feed wheat. The poorer quality product is something end users are never particularly interested in.

"As you get into lower grades, you get lower mill yields for millers; lower pasta color means lower quality pasta," Peterson said.

As much as end users try and avoid the lower quality wheat, Peterson said it can still find its way into the market.

"It's kind of surprising when supplies get tight, buyers will find a way to get by with some of the lower quality," he said. "If high quality wheat is very hard to find or if the price really goes up, guys will come down the ladder and accept the lower quality product."

Peterson also said the high price of corn is sending a significant amount of the poorer quality wheat into the feed market.

With strong prices for corn and soybeans, some reports have said there will be very little wheat planted in the upcoming crop year. Peterson, however, said he isn't overly concerned about a severe decline.

"We know our producers will grow wheat, because it's a crop that grows well here, and we feel they've had two pretty good pricing years, he said. "There are some good pricing opportunities that will stabilize wheat acres."

In order to have any more acres planted, Peterson said prices would have to increase.

"The market will determine that based on whether or not Canada is still wet, and what is happening in Russia (drought)," he said.

Current elevator deliveries for durum wheat in North Dakota are bringing anywhere from US$6.50 to US$7.25 per bushel, according to Prairie Ag Hotwire. The high bids are the highest that have been seen all year.

US Market

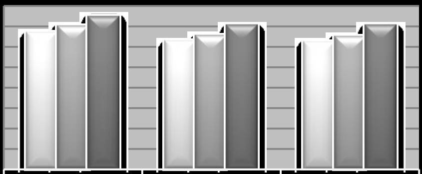
✓ **Nov 19, 2010 -** Futures prices were down again this week as continued discussion about a tighter Chinese monetary policy weighed on the markets. CBOT nearbys lost 46 cents on Tuesday, falling to over a three-month low, but received support later in the week from a weakening dollar and strong export sales. Overall, the CBOT December contract was down 24 cents, closing at $6.44/bu. KCBT and MGEX nearbys were also down, closing at $7.09/bu and 7.25/bu, respectively. Soybean prices were hit especially hard by China's plan to tame food inflation and lost 66 cents on Tuesday. The CBOT January soybean contract closed at $12.01/bu, down 67 cents from a week ago. Corn prices lost 13 cents, closing at $5.20/bu.

NS/DND	fob Gulf	13.0 %	313,- Mton $ US
NS/DND	fob Gulf	13.5 %	315,- Mton $ US
NS/DND	fob Gulf	14.0 %	351,- Mton $ US

HRW	fob Gulf	Ord.	277,- Mton $ US
HRW	fob Gulf	11.0 %	277,- Mton $ US
HRW	fob Gulf	11.5 %	279,- Mton $ US
HRW	fob Gulf	12.0 %	283,- Mton $ US
HRW	fob Gulf	12.5 %	290,- Mton $ US
SRW	fob Gulf	- - -	281,- Mton $ US

NS/DNS - US Wheat

Week 46



	Week 44	Week 45	Week 46
NS/DNS 13.0 %	333,00	312,00	311,00
NS/DNS 13.5 %	350,00	327,00	325,00
NS/DNS 14.0 %	374,00	351,00	351,00

✓ **Nov 19, 2010 -** Strong export demand supported prices this week. USDA reported commercial export sales of 943,400 MT, which reached a 10-week high and exceeded trade estimates of 400,000 to 600,000 MT. Increases were reported for unknown destinations (150,000 HRW, 52,500 HRS, -11,614 SRW), Mexico (76,587 HRW, 61,000 HRS, 10,001 SRW, 2,452 white), Egypt (55,000 SRW, 60,000 white), Iraq (100,000 HRW), Nigeria (39,047 HRW, 15,000 HRS, 21,804 SRW, 10,000 white), and Japan (41,012 HRW, -472 HRS, 27,872 white

✓ **Nov 19, 2010 -** Soft red winter FOB premiums were up again this week due to lack of grain movement. Gulf SRW basis was up 10 cents, to $1.20 per bushel.

HRW - US Wheat

Week 46

	Week 44	Week 45	Week 46
HRW 11.0 %	305,00	287,00	277,00
HRW 11.5 %	307,00	288,00	279,00
HRW 12.0 %	309,00	290,00	283,00
HRW 12.5 %	315,00	298,00	290,00

✓ **Nov 19, 2010 -** The ICE Dollar Index was up again this week, closing at 78.51 on Friday, up from 78.11 a week ago. The index has gained three percent since hitting a ten-month low on November 4.

✓ **Nov 19, 2010 -** The Baltic Panamax Index was down sharply this week, losing 14 percent and closing at 2,038. The Baltic Dry Index fell to a three-month low on Friday, losing 158 points from last week and closing at 2,155.

European Markets

✓ **Nov 19, 2010 -** The markets are consolidating supported by technical factors more than fundamentals. The inflationary situation in China is the key element with higher interest rates according to traders which could eventually slow down consumption and hence the need for imports. It weighs this morning on soybeans and corn both products most affected by Chinese imports.

Brussels granted export licenses for 442 000 tons of wheat yesterday bringing the total awarded since the beginning of the year at 9.2 million tons against 6.8 million tons last year at this time. In barley, 44 000 tons were granted bringing the total to 2.3 million tons against 330 000 tons last year. Oilseeds prices bounced back yesterday after the sharp fall earlier this week showing the conflict between bulls and bearish economic fundamentals.

Euro climbs higher as investors expect bailout package for Ireland : The euro climbed for a third day against the dollar as investors speculated that a bailout for Ireland will prevent Europe's debt crisis from getting worse. The dollar fell versus most of its major counterparts as Federal Reserve Chairman Ben S. Bernanke defended the U.S. central bank's monetary stimulus policy. The euro got a boost as German producer prices rose last month more than forecast. The yen rose against the Australian dollar after a two-day drop as China increased banks' reserve ratio requirements.

"Ireland appears close to an agreement on its bailout, which is positive for sentiment," said Neil Jones, head of European hedge-fund sales at Mizuho Financial Group Inc. in London. "The German economy is powering ahead.".

Friday morning, the euro was at $1.3679 from $1.3631 late Thursday, according to EBS via CQG. The dollar was at Y83.42 from Y83.51, while the euro was at Y114.11 from Y113.82. The U.K. pound was at $1.5993 from $1.6042. The dollar was at CHF0.9954 from CHF0.9967.

The ICE Dollar Index, which tracks the greenback against a trade-weighted basket of currencies, was at 78.479 from 78.635.

✓ **Nov 19, 2010 -** Irish Prime Minister Brian Cowen said Friday that the second day of talks with European counterparts are "going well." Officials from the European Union, the European Central Bank and the International Monetary Fund are in Dublin to examine Ireland's finances and banking system. This may include the activation of the European Financial Stability Facility, the EUR440 billion emergency loan program created to help euro-zone countries refinance their debts.

✓ **Nov 19, 2010 - Ireland's debt :**

American leaders are watching closely as Europe's finance ministers wrestle with what looks like the relatively small issue of Ireland's debt.

Seeking to live up to its "Celtic Tiger" image, Ireland — population 4.2 million — ran up a national debt of $123 billion, 32 percent of its gross domestic product, an enormous sum for a country of that size.

By comparison, U.S. debt is 27 percent of its GDP, but the American economy is much larger than Ireland's and the United States does not have the heritage of poverty that pre-European Union Ireland has.

Head Office : Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's : ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com

So why should anyone beyond the Irish care? First, the rest of the EU cares because Ireland is a member of the 16-country euro zone. They are concerned that Ireland's financial problems will prove contagious and other EU countries' economies will start to fall victim to the woes of excessive debt. What could follow are drastic budget cuts, which involve firing civil servants, an act no government likes to take. The United Kingdom is already biting that bullet. Other vulnerable EU economies include Greece, already in near free-fall, Portugal, and Spain, with 20 percent unemployment.

It gets worse. Although other EU countries have said they are ready to bail Ireland out, the Irish government says it isn't sure it needs a bailout, or at least not until next year, when it could run out of money. This week, Ireland's finance minister said the government itself needs no money, but it might accept a credit line to back up its banks.

Why should the United States care? First, turmoil in European countries that are key financial partners could affect the American economy. Second, the bonds that Ireland is obliged to sell to pay its debt service are being offered at nearly 9 percent. The United States also has to borrow enormous amounts of money, and its bonds and those of other Europeans compete with the Irish bonds, thus raising the cost of international borrowing to the U.S. taxpayer.

Dublin's decisions have an impact on the United States. Let's hope that the Europeans behave sensibly in the face of this crisis and do not exacerbate the global recession instead of hastening its end.

✓ **Nov 19, 2010 - EU wheat to extend premium as supplies dwindle:** A shortage of exportable supplies may see wheat prices in Europe extend their premium over those in the US into next year, despite a significant outperformance already in this rally.

The spurt in demand by importers for wheat, following the exit of drought-stricken Russia from the market, has left European Union exports running at an "unsustainable" pace, the regional arm of FCStone said.

The pace of exports is running ahead of that in 2008-09, when they hit a bumper 25m tonnes, despite a significantly weaker harvest this year and robust internal consumption.

"Price has not rationed [domestic] demand", FCStone said, noting forecasts that the region's own wheat consumption was set for only a small dip despite a rise of nearly 70% in London and Paris futures prices since late June.

'Concerted effort'

The squeeze was likely around February-March to see Europe's wheat exporters hand over much of their trade to America, FCStone said. Indeed, the broker raised questions that even the 22m-tonne estimate that the US Department of Agriculture has for EU shipments was achievable.

"By March, we are going to see a concerted effort to alleviate the current export pace," Jaime Nolan, commodity risk manager at FCStone Europe, told Agrimoney.com.

The broker "would assume" that this market signal would be reflected in a growing premium of European wheat prices over those in Chicago.

Prices of London and Paris wheat have already, in rising by some two-thirds since the start of the rally in late June, outperformed those in Chicago, which have appreciated by about one-half.

'Price itself out'

However, European grain may already be high enough to deter importers, Glencore, the commodities giant, said in a market report.

Argentina and Australia, the major southern hemisphere producers - which are starting harvest and preparing themselves to exploit the void in world wheat demand - have both won business this month through tenders by Egypt, the world's top importer of the grain.

In the latest tender, last week, French and US wheat were "virtually identical" when freight costs were taken into account.

The tender "demonstrated how EU wheat is beginning to price itself out of future export business", Glencore said.

Spain turns exporter

FCStone added that squeezes in European supplies, exacerbated by a year which was too dry for many producers, such as France, and too wet for others, such as Poland, was being reflected in unusual trade dynamics within the EU.

"Feed and lower grade bread-making wheat [are] moving in new directions," the broker said.

France, a huge exporter of milling wheat to Egypt, was continuing to buy German and UK feed wheat, and had now begun buying bread wheat from Spain, a country usually among Europe's largest importers.

France Market

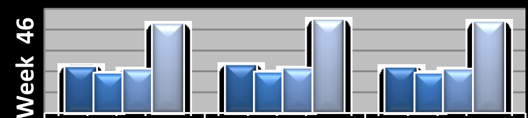
✓ **Nov 19, 2010 -** Wheat, harvest 2010, traded at 212,00 €/Mton on a July basis for a standard quality, for a December delivery.

✓ **Nov 19, 2010 -** The durum wheat is quoted at 240,00 €/Mton delivered Port La Nouvelle delivery November/March.

✓ **Nov 19, 2010 -** Rapeseed quotes at 429,00 €/Mton for delivery in January 2011.

✓ **Nov 19, 2010 -** For feeding barley, the Rouen delivery traded at 183,00 €/Mton on a July basis for a December delivery.

France



	Week 44	Week 45	Week 46
Wheat	216,00	223,00	212,00
Barley	182,00	186,00	183,00
Corn	202,00	205,00	201,00
Rapeseed	422,00	440,00	429,00

✓ **Nov 19, 2010 -** For malting barley, on the 2010 harvest, the Sebastian traded at 210,00 €/Mton for January/June 2011 FOB Creil.

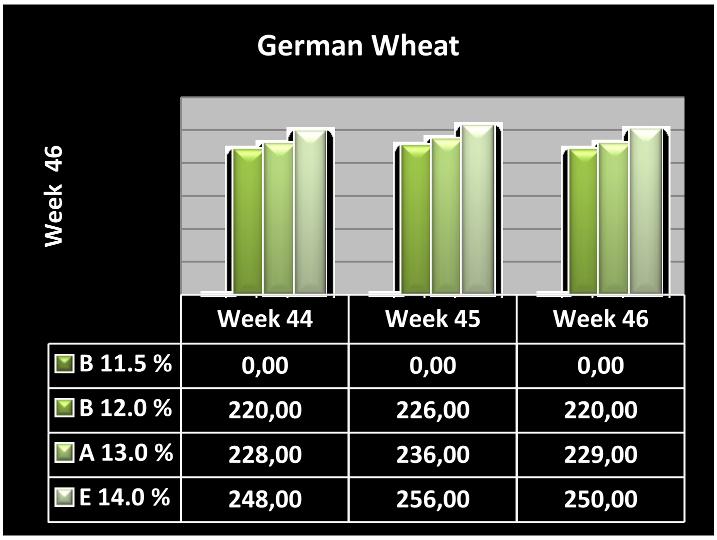
✓ **Nov 19, 2010 -** For the 2010 sunflower harvest, the market traded at 475,00 €/Mton for a Saint-Nazaire delivery in January 2011.

✓ **Nov 19, 2010 -** Corn 2010 harvest traded at 201,00 €/Mton on a July basis FOB Bordeaux for a December 2010 delivery.

Head Office : Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's : ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com

Wheat	Milling	Ex Harvest	216,- Mton Euro
Durum Wheat	-	Port La Nouvelle*	240,- Mton Euro
Barley	Feed	Rouen	183,- Mton Euro
Corn	Feed	New Harvest	201,- Mton Euro
Rapeseed	for Oil Extr.	fob Bordeaux	429,- Mton Euro
Sunflower	for Oil Extr.	Saint Nazaire	475,- Mton Euro

German Market



	Week 44	Week 45	Week 46
B 11.5 %	0,00	0,00	0,00
B 12.0 %	220,00	226,00	220,00
A 13.0 %	228,00	236,00	229,00
E 14.0 %	248,00	256,00	250,00

✓ **Nov 19, 2010 - Germany to raise bioethanol blending in gasoline :**

* Sugar seen as most competitive current feedstock

* More demand seen providing outlet for low-quality grain

(Adds bioethanol industry comment, paras 20-21)

The German cabinet will vote on Wednesday on a proposal to raise the maximum level of bioethanol allowed in blended gasoline to 10 percent in January 2011 from 5 percent now, the country's environment ministry said on Monday.

The move is part of Germany's efforts to meet European Union plans to raise biofuel use to protect the environment, it said.

Analysts said the increase would help boost demand for grain next year, but there also would be tough competition from sugar and imported bioethanol.

"Currently sugar is looking most competitive for bioethanol output after the sharp rise in grain prices this year," one analyst said. "But overall there is likely to be increased demand for both grains and sugar, so more blending will be positive news for producers."

Introduction of fuels with higher bioethanol content has in the past been controversial because of fears of engine damage to older cars.

The ministry said about 90 percent of German automobiles would be capable of using fuels with the higher blend level, which will be clearly labelled at petrol stations.

Germany's large bioethanol industry, which mostly uses grain and sugar as feedstock, has been hoping for the change for some time.

Grains futures surged to two-year highs in early August, almost doubling from June lows as a drought devastated Russia's harvest and the country announced a grain export ban.

Germany consumed about 1.2 million tonnes of grain for bioethanol output in 2009, the German state alcohol production supervision agency BMB said. This compared with a German 2009 grain crop of 43.7 million tonnes.

SUGAR EXCESS OVER QUOTAS

Some 2.27 million tonnes of sugar beet went to German bioethanol output in 2009 against a sugar beet crop of 25.9 million tonnes last season.

"The news is good for the farming sector, but competition to supply the new feedstock will be hot," another analyst said. "The general high level of grain prices and large volume of sugar which will be available may give sugar the edge in coming months."

Germany is likely to produce 3.65 million tonnes of refined sugar in the current 2010/11 season, which would be about 1 million tonnes over the country's European Union sugar production quota of 2.66 million tonnes, sugar industry association WVZ forecasts.

The EU restricts output of some subsidised crops such as sugar with quotas. Sugar output over the EU quota cannot be sold as food but may be sold for non-food industrial use or exported with special permission.

"Such a large volume of sugar can only really be sold for bioethanol use or exported," one trader said. "There is not really industrial demand on that scale."

"The rise in blending levels would be good news for sugar farmers and may lead to an increase in sugar plantings in the medium term," the trader added.

Germany's grain harvest suffered serious damage from a heat wave followed by rain this summer. About 50 percent of the crop is expected to be no better than animal feed quality against around 20 percent normally.

"Increased demand for bioethanol could provide an outlet for some of this low-quality grain," an analyst said.

German feedstock producers will also face heavy competition from imports. Germany consumed 903,000 tonnes of bioethanol in 2009, of which 591,000 tonnes were home-produced.

"Foreign producers, especially from Brazil, will also be fighting hard for a share of the German biofuels market," a trader said.

But the association of German bioethanol producers said it expected "a major part" of the feedstock required for the extra production to be produced in Germany or elsewhere in Europe.

It said in a statement if cabinet approval was given, it expected the detailed process for introduction of the 10-percent blending level to be completed in mid-December, enabling a start of sales in early 2011.

✓ **Nov 19, 2010 - Bars and Breweries in Stuttgart, Germany :**

Situated in the Baden-Württemberg area of southern Germany, Stuttgart, it has to be said, is not the prettiest of the country's cities. An ugly ringroad surrounds an uninspiring city centre with a limited range of interesting shops. Even the covered market is somewhat lacklustre.

From a beer point of view, most bars fall into the camp of one of the city's two large breweries – Dinkelacker and Stuttgarter Hofbräu. Even the Tü8 brewery that used to serve three restaurants on Tubinger Straße has closed. That said, the city's two most famous brewpubs – Calwer-Eck-Bräu and Sophie's Brauhaus – are 11ort going strong and well worth a visit for beer that is not the usual German fare.

Calwer-Eck-Bräu, Calwer Straße 31 :

This upstairs brewpub and restaurant has the brewery clearly visible through glass doors to the right of the bar. As well as a pilsner and a wheat beer, it also serves the Master Brewer's Beer. This is a very cloudy and yeasty brew with a strong bitter finish. Strength is 5.5 per cent abv. Seasonal beers are also sometimes available. There is a variety of seating options, including bar stools.

B Class	230 / 11,5 %	cif Hamburg	N/A
B Class	230 / 12,0 %	cif Hamburg	220,- Mton Euro
B Class	230 / 12,0 %	cif Rostock	218,- Mton Euro
A Class	250 / 13,0 %	cif Hamburg	229,- Mton Euro
A Class	250 / 13,0 %	cif Rostock	227,- Mton Euro
E Class	275 / 14,0 %	cif Hamburg	250,- Mton Euro
E Class	275 / 14,0 %	cif Rostock	249,- Mton Euro
Feed Class	Feed	cif Hamburg	196,- Mton Euro
Barley	62/63 kg/hl.	cif Hamburg	193,- Mton Euro

Bread Rye	Bread	cif Hamburg	198,- Mton Euro
Bread Rye	-	cif Rostock	196,- Mton Euro
Fodder Rye	-	cif Hamburg	178,- Mton Euro
Triticale	72/73 kg/hl.	cif Hamburg	191,- Mton Euro
Oats	54 55 kg/hl.	cif Hamburg	238,- Mton Euro
Oats Scan.	58 kg/hl.	cif Hamburg	245,- Mton Euro
Corn	Feed	franco Hamburg	218,- Mton Euro

Rapeseed	9,2,40	cif Hamburg	435,- Mton Euro
Rapeseed	9,2,40	cif Rostock	433,- Mton Euro
Rapeseed	9,2,40	cif Kiel	432,- Mton Euro

Argentinian Market

✓ **Nov 19, 2010 -** The Buenos Aires Grain Exchange increased their 2010/11 Argentine production estimate on Thursday. The Exchange raised their projection from 12.1 MMT to 12.7 MMT due to improved crop conditions. USDA currently projects 13.5 MMT 12ort his year's Argentine wheat crop

Wheat	Milling	Fob	302,- Mton	$ US
Corn	Feed	Fob	240,- Mton	$ US
Soybean	for Oil Extr.	Fob	488,- Mton	$ US
Sunflower	for Oil Extr.	Fob	640,- Mton	$ US
Soybean Oil	Crude.	Fob	1.138,- Mton	$ US
Sunflower Oil	Crude.	Fob	1.330,- Mton	$ US

✓ **Nov 19, 2010 -** Argentina Institutional Construction Market Data & Forecast to 2014 is the essential entry level source for industry data and analysis, covering the Institutional Construction market in Argentina, both at the top level and providing in-depth category and channel insight. The report provides historical market values for the period 2005-2009 at an overall level, as well as showing category splits which make up the Institutional Construction market in Argentina. The report also contains forecast values and segmentation for 2010 to 2014 for the construction industry in Argentina. Profiles are included for the top 3 companies:

1. IRSA Inversiones y Representaciones Sociedad Anonima, 2. Roggio Group, 3. HOCHTIEF AG.

✓ **Nov 19, 2010 - Argentina: Paris Club Debt :**
Question: What is our reaction to Argentina's announcement that the settlement of its outstanding debts with the Paris Club will involve a repayment schedule of more than one year and that they will seek a new deal?

Answer: We support efforts by Argentina to normalize relations with the Paris Club and the international financial community. We are pleased to see that Argentina is prepared to address its large and growing arrears to the Paris Club creditors. Contrary to some press reports, the Paris Club and Argentine authorities have not yet discussed or agreed to any specific terms for clearing arrears. There is precedent within the Paris Club for an agreement on normalization of relations without an International Monetary Fund (IMF) program. For a country such as Argentina that can meet its international debt obligations without an IMF program, this would not be unexpected.

Russian Market

✓ **Nov 19, 2010 -** The same situation is observed in Russia with the feeding wheat. Demand is high, but farmers do not sell until the price rises.

✓ **Nov 19, 2010 - Russia's lingering woes bode well for wheat prices :**
Russia looks set to remain a small-time grain exporter next year even if it lifts its ban on shipments, a prospect which bodes well for wheat prices in other exporting nations, Commerzbank has said.

Dependence by importers on other grain shippers, such as the European Union and the US, it to stay "high" for now, given Russia's inability to resume its place as the world's third-largest wheat exporter.

"This should support wheat prices" in Europe and the US, Commerzbank said.

The comments come the day after the US unveiled its best weekly wheat exports for two months, while the European Union said it had cleared 442,000 tonnes of soft wheat since the beginning of 2010-11 in July, a jump of 35% year on year.

Russia in August introduced a ban on wheat exports following its poor harvest, curbs many merchants believe will last throughout 2011.

Sowings progress

Indeed, the drought which devastated Russia's harvest this summer - sending production 40% lower to 60.5m tonnes according to government estimates - persisted in many areas to hamper autumn sowings, leaving the winter grain area on track to fall well short of an initial target of 18m hectares.

Some analysts believe that even the revised official figure of 15.5m hectares may be an overestimate.

While many areas could be sown with spring grains instead, their lower yields will cut chances of rebuilding Russia's export surplus.

The Russian Grain Union, a powerful sector lobby group, said on Thursday that the country would need to harvest "a minimum" of 80m tonnes of grain next year merely to cover domestic demand.

"If we harvest less, we will put further development of the agricultural sector under threat," said Alexander Zlochevsky, the union's president.

Commerzbank said: "Even if wheat exports are permitted in the second half of 2011, the volume is likely to be well short of the 18m tonnes exported in [2009-10]."

Better weather

The extent to which Russia is able to revive its grains production will depend in part on the severity of the winter, which typically causes losses of 8% in autumn-sown grains.

While frost-nipped areas can generally be resown, the lower yields that spring grains achieve would retain the size of the crop's rebound.

Recent warm weather, however, has proved favourable to crop development, Mr Zlochevsky said.

Meteorlogix forecasters said in a weather briefing on Friday that while winter wheat "across most areas of Russia and the Ukraine continues to enter dormancy... warm temperatures in the far south may allow further development of wheat in south east portions of the Ukraine and in south Russia".

Ukrainian Market

✓ **Nov 19, 2010 -** Ukraine announced it will extend its grain export quotas through the first half of 2011. The Ukrainian Agriculture Minister stated that total grain exports will be limited to 5 MMT between January and July of 2011. The Ukrainian government estimated that this year's wheat harvest reached 17.2 MMT, down from 20.9 MMT a year ago.

✓ **Nov 19, 2010 -** In Ukraine, according to data from APK Inform, the supply of feed barley on the Ukrainian market is still limited. Farmers do not sales considering the low price.

✓ **Nov 19, 2010 -** According to statistical data of Ukrainian seaports, between 1 and 16 th of November, the country exported 272 000 tons of grain against 1,14 million tons during the same period in October. The export of wheat represents 125 600 tons exported mainly to Egypt, Kenya, Israel, and Turkey.

✓ **Nov 19, 2010 - Ukraine grain export quotas 'cost farmers $1.25bn':**
Ukraine's government is being threatened with legal action over export curbs which producers allege have cost them alone more than $1.25bn.

A number of traders are considering claims against Ukraine's farm ministry over its handling of the quotas which have limited to 2.7m tonnes the country's grain exports until the end of December, and are expected to be extended into next year.

While merchants were initially invited to apply between October 20 and November 3 for quota allotments, they were unable to submit request because of what US Department of Agriculture staff in Kiev described as "administrative issues".

After rescheduling the application period from November 4-18, the ministry on November 12 revealed allocations for all the barley and wheat quota, and most of the corn, totalling 2.1m tonnes.

More than half the quota was given to Kernel Holding, Nibulon and Serna.

Vladimir Klimenko, president of the Ukrainian Grain Association, has been highly critical of the ministry's handling of quota administration.

Illegal move?

Separately, Serhiy Stoyanov, director general of the Ukrainian Agrarian Association, has questioned the legality of the quotas themselves, noting six-year old agriculture laws which bar the government from restricting grain sales, whether for domestic or export markets.

And the Ukrainian Association of Farmers and Private Landowners has met government officials to urge a cancellation of exports, prompted by losses in crop production thanks to drought, but which have been significantly lower than in neighbouring Russia.

Indeed, growers, pegging the country's production of grain and oilseeds at 41m tonnes this year, say they could export 16m tonnes of the crops in 2010-11, more than government restrictions look likely to allow.

"Agricultural producers estimate their losses at over $1.25bn due to restricted export of grain that has been affecting their operations since late July 2010," the USDA bureau said.

'Cap on prices'

Kernel Holding, announcing earlier this week, highlighted the role of quotas in limiting domestic grain prices.

"By hindering the process of export, the government of Ukraine forced grain export operators to scale back their procurement programs, and effectively put a cap on grain prices inside the country, while international grain prices continued to be well supported," Andrey Verevskyy, the Kernel chairman, said.

He added that the group, which was given a grain export quota allocation of 436,000 tonnes, was "confident" it would be able to fulfil its 2010-11 shipment plans, and stuck by financial targets for the full year.

Latest Hot News

✓ **Nov 19, 2010 - Lebanon's wheat production at risk :**
Lebanon's wheat production is at risk from virulent strains of fungi that threaten to devastate production, increase food insecurity and raise prices, a UN report has warned.

An unusually mild winter 2009– 2010 already resulted in a "serious" outbreak in the country of the mutated, and especially potent, adaptation of "rust fungi" but experts are fearful that knock-on effects of global warming will only further intensify the country's susceptibility in the coming years.

The disease has the capacity to destroy some 50 percent of wheat stock and is presently being blamed for the loss some 1 million hectares in Syria. If serious steps are not taken to monitor the spread of rust fungi and take measures to diversify wheat crops, the situation could spread across the region, said the Food and Agricultural Organization (FAO) Food Outlook report, released Wednesday.

This, combined with other global supply-and-demand factors, threatens to raise food prices further in 2011 and could raise the global food-import bill in excess of $1 trillion.

This level has not seen since the devastating 2008 food-price crisis, where the price of wheat rose by 136 percent in two years, causing widespread political, economic and social insecurity, including violent food riots in Egypt where the price of bread doubled in just a few months.

Economic pressures are presently hitting food prices in Lebanon, where the price of certain vegetables and meat have skyrocketed in recent months.

The price of meat and vegetables, have soared to near-record highs in recent months, with the price of certain goods, such a tomatoes, rising by 100 percent and 400 percent on some varieties, according to Agriculture Ministry figures.

Agriculture Minister Hussein Hajj Hassan has predicted an easing of the situation by mid-November but the ILO report stresses that countries will remain vulnerable to further shocks if significant step are not made to increase cereal, and especially, corn and wheat production.

"For major cereals, production must expand substantially to meet utilization and to reconstitute world reserves," ILO said. "Against this backdrop, consumers may have little choice but to pay higher prices for their food."

Meat prices, however, that are linked to cereal prices and have been high of late, are expected to rise only slightly in the next couple of months, slightly offsetting the rise in other commodities like sugar and fish, the report said.

Hajj Hassan said that price hikes have been aided by external factors, namely global droughts that brought on a surge in international meat prices in September, but gave assurances that prices should range between LL12,000 and LL15,000, and not the LL15,000 to LL24,000 price bracket that they have risen to in recent weeks.

Two weeks ago, spurred on by the Agriculture Ministry, the economy minister drafted a law that would restrict traders' profit margins to 20 percent. Moreover, the ministry has set up a hotline at the number 1739 where consumers may report excessive prices.

✓ **Nov 19, 2010 - FAO warns of further rise in global food prices :**

The Food and Agriculture Organisation (FAO) has warned about a further increase in global food prices in 2011 if there is no significant increase in production of major food crops.

In the latest edition of its "Food Outlook" report, the agency observed that the rise in global prices, all of which was accruing in the second half of 2010, owing to a mismatch in demand and supply, was pushing the overall food import bill closer to the peak reached in 2008 — the recent crisis year.

The report said the international food import bills could surpass the $1 trillion mark in 2010, with prices of most commodities shooting up sharply since 2009.

The Food and Agriculture Organisation (FAO) has warned about a further increase in global food prices in 2011 if there is no significant increase in production of major food crops.

In the latest edition of its "Food Outlook" report, the agency observed that the rise in global prices, all of which was accruing in the second half of 2010, owing to a mismatch in demand and supply, was pushing the overall food import bill closer to the peak reached in 2008 — the recent crisis year.

The report said the international food import bills could surpass the $1 trillion mark in 2010, with prices of most commodities shooting up sharply since 2009.

The import bills of the world's poorest countries were predicted to rise by 11 per cent and by 20 percent for the low-income food-deficit countries in 2010.

"With the pressure on world prices of most commodities not abating, the international community must remain vigilant against further supply shocks in 2011 and be prepared," the FAO warned.

Price increases, seen for most agricultural commodities over the past six months, were the result of a combination of factors, especially: unexpected supply shortfalls due to unfavourable weather events, policy responses by some exporting countries by cutting exports, and fluctuations in currency markets.

Contrary to earlier predictions, world cereal production, which was now 2,216 million tonnes, was 2 per cent below the previous year's level, against the anticipated 1.2 increase in June.

Most of the downward revision involving wheat and coarse grains followed cuts in production in major grain producing countries in the Commonwealth of Independent States (CIS) and shortfall in yields in the European Union, Canada and the United States.

World cereals stocks too were expected to be lower by 7 per cent, with wheat reserves plunging by 10 per cent, barley 35 per cent and maize 12 per cent. Only rice reserves were foreseen to increase by 6 per cent, the report said.

Sugar was an important factor that caused the rise in the price of the global food basket in recent months. Sugar prices, which recently surpassed 30-year highs, were elevated and extremely volatile.

In the oilseeds sector, firm prices reflected a relatively slow growth in world production, failing to keep pace with the fast expanding demand, the report stated.

Attention was now on cultivation for the 2011-12 season, as the size of next year's crop would be critical in setting the tone for stability in international markets.

For major cereals, production must expand substantially to meet the demand and to reconstitute reserves.

However, cereals may not be the only crop farmers would try to produce more, as rising prices had made other commodities such as soybean, sugar and cotton, attractive to plant, the report noted.

"This could limit individual crop production responses to levels that would be insufficient to alleviate market tightness. Against this backdrop, consumers may have little choice but to pay higher prices for food," the report added.

The Food and Agriculture Organisation (FAO) has warned about a further increase in global food prices in 2011 if there is no significant increase in production of major food crops.

In the latest edition of its "Food Outlook" report, the agency observed that the rise in global prices, all of which was accruing in the second half of 2010, owing to a mismatch in demand and supply, was pushing the overall food import bill closer to the peak reached in 2008 — the recent crisis year.

The report said the international food import bills could surpass the $1 trillion mark in 2010, with prices of most commodities shooting up sharply since 2009.

The import bills of the world's poorest countries were predicted to rise by 11 per cent and by 20 percent for the low-income food-deficit countries in 2010.

"With the pressure on world prices of most commodities not abating, the international community must remain vigilant against further supply shocks in 2011 and be prepared," the FAO warned.

Price increases, seen for most agricultural commodities over the past six months, were the result of a combination of factors, especially: unexpected supply shortfalls due to unfavourable weather events, policy responses by some exporting countries by cutting exports, and fluctuations in currency markets.

Head Office *: Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY*
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's *: ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com*

Contrary to earlier predictions, world cereal production, which was now 2,216 million tonnes, was 2 per cent below the previous year's level, against the anticipated 1.2 increase in June.

Most of the downward revision involving wheat and coarse grains followed cuts in production in major grain producing countries in the Commonwealth of Independent States (CIS) and shortfall in yields in the European Union, Canada and the United States.

World cereals stocks too were expected to be lower by 7 per cent, with wheat reserves plunging by 10 per cent, barley 35 per cent and maize 12 per cent. Only rice reserves were foreseen to increase by 6 per cent, the report said.

Sugar was an important factor that caused the rise in the price of the global food basket in recent months. Sugar prices, which recently surpassed 30-year highs, were elevated and extremely volatile.

In the oilseeds sector, firm prices reflected a relatively slow growth in world production, failing to keep pace with the fast expanding demand, the report stated.

Attention was now on cultivation for the 2011-12 season, as the size of next year's crop would be critical in setting the tone for stability in international markets.

For major cereals, production must expand substantially to meet the demand and to reconstitute reserves.

However, cereals may not be the only crop farmers would try to produce more, as rising prices had made other commodities such as soybean, sugar and cotton, attractive to plant, the report noted.

“This could limit individual crop production responses to levels that would be insufficient to alleviate market tightness. Against this backdrop, consumers may have little choice but to pay higher prices for food,” the report added.

The import bills of the world's poorest countries were predicted to rise by 11 per cent and by 20 percent for the low-income food-deficit countries in 2010.

“With the pressure on world prices of most commodities not abating, the international community must remain vigilant against further supply shocks in 2011 and be prepared,” the FAO warned.

Price increases, seen for most agricultural commodities over the past six months, were the result of a combination of factors, especially: unexpected supply shortfalls due to unfavourable weather events, policy responses by some exporting countries by cutting exports, and fluctuations in currency markets.

Contrary to earlier predictions, world cereal production, which was now 2,216 million tonnes, was 2 per cent below the previous year's level, against the anticipated 1.2 increase in June.

Most of the downward revision involving wheat and coarse grains followed cuts in production in major grain producing countries in the Commonwealth of Independent States (CIS) and shortfall in yields in the European Union, Canada and the United States.

World cereals stocks too were expected to be lower by 7 per cent, with wheat reserves plunging by 10 per cent, barley 35 per cent and maize 12 per cent. Only rice reserves were foreseen to increase by 6 per cent, the report said.

Sugar was an important factor that caused the rise in the price of the global food basket in recent months. Sugar prices, which recently surpassed 30-year highs, were elevated and extremely volatile.

In the oilseeds sector, firm prices reflected a relatively slow growth in world production, failing to keep pace with the fast expanding demand, the report stated.

Attention was now on cultivation for the 2011-12 season, as the size of next year's crop would be critical in setting the tone for stability in international markets.

For major cereals, production must expand substantially to meet the demand and to reconstitute reserves.

However, cereals may not be the only crop farmers would try to produce more, as rising prices had made other commodities such as soybean, sugar and cotton, attractive to plant, the report noted.

“This could limit individual crop production responses to levels that would be insufficient to alleviate market tightness. Against this backdrop, consumers may have little choice but to pay higher prices for food,” the report added.

The Food and Agriculture Organisation (FAO) has warned about a further increase in global food prices in 2011 if there is no significant increase in production of major food crops.

In the latest edition of its “Food Outlook” report, the agency observed that the rise in global prices, all of which was accruing in the second half of 2010, owing to a mismatch in demand and supply, was pushing the overall food import bill closer to the peak reached in 2008 — the recent crisis year.

The report said the international food import bills could surpass the $1 trillion mark in 2010, with prices of most commodities shooting up sharply since 2009.

The import bills of the world's poorest countries were predicted to rise by 11 per cent and by 20 percent for the low-income food-deficit countries in 2010.

“With the pressure on world prices of most commodities not abating, the international community must remain vigilant against further supply shocks in 2011 and be prepared,” the FAO warned.

Price increases, seen for most agricultural commodities over the past six months, were the result of a combination of factors, especially: unexpected supply shortfalls due to unfavourable weather events, policy responses by some exporting countries by cutting exports, and fluctuations in currency markets.

Contrary to earlier predictions, world cereal production, which was now 2,216 million tonnes, was 2 per cent below the previous year's level, against the anticipated 1.2 increase in June.

Most of the downward revision involving wheat and coarse grains followed cuts in production in major grain producing countries in the Commonwealth of Independent States (CIS) and shortfall in yields in the European Union, Canada and the United States.

World cereals stocks too were expected to be lower by 7 per cent, with wheat reserves plunging by 10 per cent, barley 35 per cent and maize 12 per cent. Only rice reserves were foreseen to increase by 6 per cent, the report said.

Head Office : Dicle Cad. Kardelen 1 - 2A - D. 1 34758 Atasehir - Istanbul TURKEY
Phone . +(90) 216 - 580 95 64 (PBX 10 Line) Fax : +(90) 216 - 580 95 63
http : www.avacommerce.com
e-mail's : ava@avacommerce.com & grain@avacommerce.com & oil@avacommerce.com & feed@avacommerce.com

Sugar was an important factor that caused the rise in the price of the global food basket in recent months. Sugar prices, which recently surpassed 30-year highs, were elevated and extremely volatile.

In the oilseeds sector, firm prices reflected a relatively slow growth in world production, failing to keep pace with the fast expanding demand, the report stated.

Attention was now on cultivation for the 2011-12 season, as the size of next year's crop would be critical in setting the tone for stability in international markets.

For major cereals, production must expand substantially to meet the demand and to reconstitute reserves.

However, cereals may not be the only crop farmers would try to produce more, as rising prices had made other commodities such as soybean, sugar and cotton, attractive to plant, the report noted.

"This could limit individual crop production responses to levels that would be insufficient to alleviate market tightness. Against this backdrop, consumers may have little choice but to pay higher prices for food," the report added.

✓ **Nov 19, 2010 - Kenya to Import 200,000 Tons of U.S. Wheat Through June :**
The U.S. projects that it will export about 200,000 metric tons of wheat to Kenya over the next seven months, after the East African nation this week accepted its largest-ever shipment of the American grain.

Commodity trader Louis Dreyfus Commodities Ltd. handled the import of the 50,000 tons of wheat that began being offloaded yesterday at Mombasa, U.S. Ambassador to Kenya Michael Ranneberger told reporters as the shipment arrived at the port. A copy of his remarks was sent by e-mail today by the U.S. Embassy in Nairobi.

"Apart from this very impressive single shipment, we understand that 200,000 tons or more of high-quality U.S. wheat will be imported into Kenya during the marketing year on strictly commercial terms," Ranneberger said, referring to the year through June 2011. "This will likely be a record year for U.S. wheat exports into the East African market."

To meet domestic requirements, the country imports about 120,000 metric tons of grains a month, which represents about 30 percent of its monthly cereal consumption, Standard Bank Group Ltd. said in February.

Kenya will review a cut in duties on imported wheat following protests by domestic growers, the presidency said on June 29. Finance Minister Uhuru Kenyatta announced in his annual budget speech on June 10 that the levy would be reduced to 10 percent from 25 percent.

✓ **Nov 19, 2010 - Wheat perks up on trickling inflow :**
Prices of Dara variety wheat continued to rule firm, while the prices of Nokia variety, Desi wheat rose Rs 50 a quintal. The former was quoted between Rs 1,210 and Rs 1,220 a quintal. Mill delivery was quoted at Rs 1,225 a quintal.

Mr Sewa Ram, a wheat trader, told Business Line that due to constant demand prices of Dara ruled firm, whereas low arrivals lifted prices of Nokia. About 350 quintals of Dara were offloaded at flour mills in Karnal on Thursday.

Prices of other desi wheat varieties continued to rule firm on low arrivals. Desi wheat prices have been witnessing a rally since the beginning of this week. Prices of Tohfa variety ruled at Rs 2,450 a quintal, Lok-1 at Rs 1,970, Aaj Tak at Rs 2,400; Nokia at Rs 2,400 against Rs 2,350 quoted at the start of this week.

Due to steady trend in wheat market, flour prices continued to rule firm, ruling at Rs 1,240/90-kg bag. Similarly, Chokar prices ruled steady and were quoted at Rs 615 for a 49-kg bag.

Downtrend in basmati

Prices of pure basmati paddy continued to witness a downtrend. About 18,000 bags of the paddy of pure basmati rice arrived here and quoted at Rs 2,000-2,750.

Around 4,000 bags of PR-13 arrived and ruled between Rs 1,000 and Rs 1,040. Grade-A variety arrived in 75,000 bags and ruled between Rs 1,020 and Rs 1,050. PR-14 arrived with a stock of 10,000 bags and ruled at Rs 1,100. Around 5,000 bags of RS-10 were quoted at Rs 1,380-1,430. About 5,000 bags of Sharbati also arrived and ruled between Rs 1,480 and Rs 1,500. Sugandha-999 arrived in about 8,000 bags and quoted at Rs 1,600-1,675.

Around 12,000 bags of Pusa (duplicate basmati) arrived and quoted at Rs 1,800-2,200. Around 15,000 bags of Pusa-1121 quoted at Rs 2,000-2,400. The entire stock was lifted by agencies and rice millers.

✓ **Nov 19, 2010 - Global market lights up soyabean :**
Soyabean and soya oil prices gained on Thursday on correction in the global market, especially Malaysian crude palm oil futures.

Soya refined that declined to Rs 520-525 in the spot on Wednesday gained Rs 12- 15 to quote at Rs 532-540 for 10 kg on Thursday evening. In the morning, soya refined (loose) quoted at Rs 522-530, up Rs 2-5, and it further gained Rs 8-10 by evening. In resale, soya refined prices quoted at Rs 522-530.

Similarly, soya solvent prices also perked up by Rs 5-10 at Rs 500-510 for 10 kg on improved global cues. A positive global trend also helped soya oil prices gain on the National Board of Trade where December contract, after opening at Rs 563.80, increased to Rs 577.20 before closing at Rs 575.40 for 10 kg.

Similarly, soyabean gained marginally with the spot quoting at Rs 2,060-2,100 a quintal. A decline in arrivals and rise in soyabean futures on the National Commodities and Derivatives Exchanges where the soybean December contract ended at Rs 2,210, leading to marginal gain in soyabean. Similarly, plant deliveries of soyabean gained marginally at Rs 2,170-2,200 a quintal. On the whole, soyabean prices in the mandis here are still Rs 100 lower compared with prices that ruled a few days ago.

In Indore, the arrival of soyabean was recorded at a mere 3,000 bags against 3.50 lakh bags at the State level. Soyameal (Kandla) also gained marginally at Rs 18,400 with slightly improved export demand. A few days back, soya DOC prices had toucheda high of Rs 18,700 a tonne.

Improved soyameal demand from traditional buyers in Japan and China, has been offering firm support to soyabean.