



FLOUR FACTS



Information Provided by General Mills Bakery Flour
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August 14, 2008

Weekly Market Highlights

- Wheat futures prices are higher this week after a very volatile week in all three wheat markets.
- Prices closed up last winter's expanded limit of 60 cents in Thursday's session.
- Corn and soybeans have also reduced their downward trend.
- Mill demand for wheat is outpacing the rain-delayed harvest. Concerns over low protein have caused dramatic spikes in the basis.
- We would ordinarily see harvest pressure as spring wheat shipments to market expand. So many other factors are influencing wheat prices, we will have to wait and see.

Facts on Flour

Put'em all together and what d'ya get?

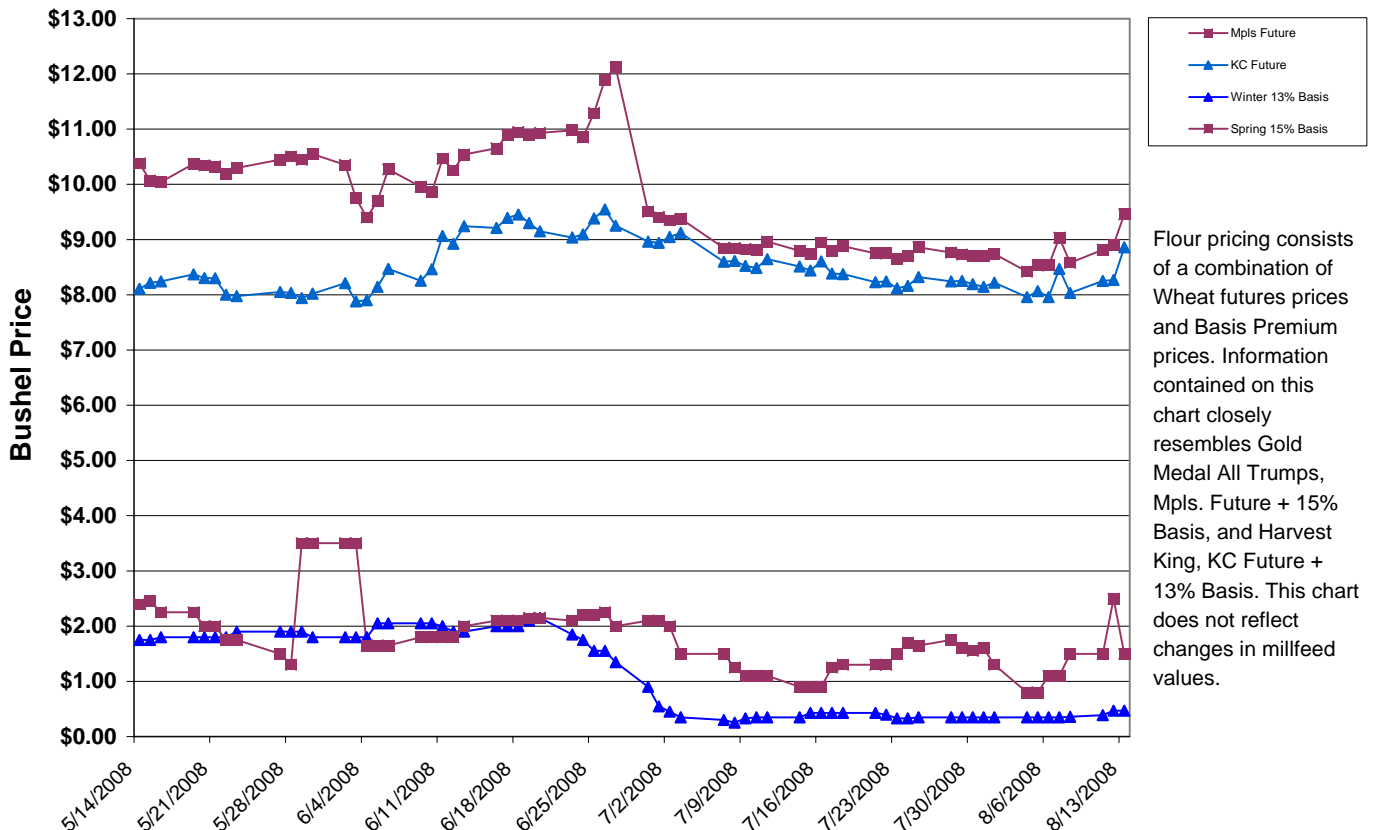
With the major classifications categories defined – Winter and Spring, Hard and Soft, Red and White – we can combine them to discover the range of wheat available. The major classifications of wheat used in the U.S. are: Hard Red Winter, Hard Red Spring, Soft Red Winter and Soft White Winter.

One other classification of wheat is Durum.

Now that we have identified the major wheat types, over the next several weeks, we can begin to discuss different flour types. Because, just as wheat is not "just wheat," flour is not "just flour."

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Futures & Basis Markets



Flour pricing consists of a combination of Wheat futures prices and Basis Premium prices. 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.

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