

**Friday's Settlement Prices for Selected Commodities in US or Can.\$ / tonne:**

Grains & Related					Oilseeds, Related & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	May	305.79	298.08	181.33	Soya Beans	May	519.55	505.22	346.40
HRW Wheat	May	341.16	330.32	183.90	Soya Meal	May	407.54	402.03	284.08
HRS Wheat	May	354.66	341.16	187.85	Soya Oil	May	1,311.36	1,269.47	882.98
Corn	May	286.60	284.24	147.83	Canola	May	575.00	575.00	380.80
Oats	May	252.88	245.75	146.87	Crude Oil	May	105.61	92.30	81.92
W. Barley	May	205.00	205.00	145.50	Dollar Index	Jun	76.70	77.63	80.77
Ethanol	May	68.82	67.34	42.95	DJIA	Jun	12,084	12,047	10,483

Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

**Comment:** Corn prices this week reestablished the upward price trend evident with only minor interruptions for eight months. Last week's price correction impact was to uncover demand evidenced in this week's export sales report which again topped one million tonne, a level that cannot be sustained in the context of supplies and conventional domestic demand. Higher crude oil prices were also seen as supportive through fuel ethanol values.

Growing concerns over crop conditions in the southern Great Plains and robust demand for corn lent support to the wheat market and prevented a continuation of last week's price erosion. Export sales for last week were disappointing, however, and rain in China was seen as improving crop prospects.

Fundamentals were mixed for the soya complex. Improve Brazilian crop prospects were offset by harvesting delays and most of the increase in export sales was for the new crop year. Strike closures of Argentinian ports was positive for prices as were a weaker dollar, higher crude oil prices and tight fundamentals.

**News:** In contrast to last year moisture conditions are a concern across the major hard red winter wheat growing areas of the southern US Great Plains. In Oklahoma 19 percent of wheat was reported in good or excellent condition last week, compared to 16 percent at this time last year. As is often the case soil

moisture are much drier in western areas. A storm system provided useful moisture to eastern regions last month. Temperatures have been below normal which may delay the end of dormancy and reduce the time that crops have to catch even where soil conditions are favourable.

Statistics Canada reported exports of canola, canola oil and canola meal for the first five months of the Canadian crop year, to December, of 3.114M, 1.033M and 1.225M tonnes, respectively, up 3, 70 and 80 percent from a year ago. A significant fall off in seed exports to China resulting from continuing black leg related phyto-sanitary concerns was largely offset by increased exports to Middle East destinations. The phenomenal increase in oil exports was to the US and China. For meal China has emerged as a major market. The increase relates to increased crushing capacity which interestingly is located in a region where last summer's weather conditions decimated seed supplies.

**Opinion:** Prices of most grains and oilseeds have been in an upward trend for about eight months with any pull back seemingly uncovering willing buyers. As we enter the northern Hemisphere growing season the market will be unusually sensitive to the prospect of any crop losses.

David Walker, Edmonton, AB, CA, 110304,