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Grain and Oilseed Markets

for the week ending Friday, 11-Mar-11

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	264.09	305.79	178.30	Soya Beans	May	490.34	519.55	340.06
HRW Wheat	May	302.76	341.16	181.79	Soya Meal	May	385.82	407.54	277.02
HRS Wheat	May	315.37	354.66	188.68	Soya Oil	May	1,233.53	1,311.36	871.96
Corn	May	261.51	286.60	143.40	Canola	May	558.10	575.00	377.50
Oats	May	227.27	252.88	141.68	Crude Oil	May	102.35	105.61	81.45
W. Barley	May	205.00	205.00	154.00	Dollar Index	Jun	77.05	76.70	79.80
Ethanol	May	64.35	68.82	42.11	DJIA	Jun	11,990	12,084	10,573

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

Comment: Early in the week forecasts for beneficial rain for the southern US Great Plains winter wheat and Argentinian soya bean crops pressured prices. Later it was the realization the situation in Lybia would not be resolved quickly, reports of demonstrations in Saudi and devastating earthquakes in Japan.

News: March revisions to the USDA's US supply and disposition forecasts (S&Ds) were limited to a 0.7M tonne cut in projected exports and a corresponding increase in ending stocks now place at 22.9M tonnes which was the top end of trade of trade expectations. The no change scenario for corn and soya beans were mid range of expectations.

The USDA's World wheat S&D revisions included a 2.2M tonne increase in output with a 1.0M tonne upward revision of the Western Australian harvest being the major component. Usage was revised down 2.2M tonnes mainly the result of reduced expectations for feeding of wheat in Russia. The 4.2M tonne, 2.3 percent increase in projected ending stock this late in the crop year is quite significant.

Lower corn output from Mexico and India was partially offset by higher output from Brazil, but global usage was adjusted down by the same amount leaving coarse grain ending stocks unchanged from a month earlier.

Global output of oilseeds was raised by 2.4M tonnes mainly as a result of improved Brazilian crop prospects. Most of this was offset by upward revision of usage.

Cumulative Canadian exports of all grains to March 6 - Week 31 were 17.4M tonnes, 3 percent above year ago levels. Increases in almost all commodities were largely offset by lower wheat exports. Visible (elevator) stocks ahead of the road ban season were 6.6M tonnes, 6 percent below year ago levels level. For specific commodities changes in stock levels were very divergent from the aggregate. The next few weeks will tell whether this is demand or farm supply driven.

Opinion: As dismal a week for sellers as has been seen for some time with wheat contracts down 11 to14 percent, corn nine and oilseeds three to six. Lower wheat values were half expected in the context of fundamentals, but the other commodities following was a disappointment and largely a reflection of outside markets and drivers. Quite how these disperse factors will bear on the market remains to be seen.

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