

Grains & Related					Oilseeds, Related & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	May	279.06	269.42	167.09	Soya Beans	May	510.55	499.06	346.12
HRW Wheat	May	333.44	314.15	172.69	Soya Meal	May	396.85	393.76	293.11
HRS Wheat	May	338.96	323.71	179.67	Soya Oil	May	1,293.28	1,236.84	859.39
Corn	May	289.75	271.45	135.62	Canola	May	590.90	581.30	380.70
Oats	May	243.16	226.30	136.49	Crude Oil	May	108.10	105.40	84.87
W. Barley	May N	200.00	200.00	154.00	Dollar Index	Jun	76.13	76.46	80.97
Ethanol	May	70.19	65.81	41.21	DJIA	Jun	12,311	12,160	10,860

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

Comment: Unusually the USDA stocks report overshadowed the perspective planting report on Thursday with the foremost concern being the adequacy of old crop supplies as opposed to new crop prospect. The bullish context of both reports was enhanced by the largest weekly corn export sales of the season last week, reported the same day which took prices sharply higher, matching pre-Libyan conflict and Japanese tsunami values.

Wheat and soya beans tended to be pulled into the vortex by the need for soya bean prospects to compete with corn for planted area this spring and the potential for wheat feeding with old crop futures for wheat at a premium to corn on a weight basis for a third successive week.

US wheat crop prospects were further cited as being threatened by continued dry conditions in the southern Great Plains for winter wheat and delayed snow melt in the north for spring wheat.

News: Looking backward the USDA March 1 stocks report suggest that prices have still some way to go to ration consumption. In particular corn and soyabean stocks were down 15 and two percent from year ago levels with carry out stocks for both at pipeline supply levels anticipated. Wheat socks were up 5 percent. With old crop corn futures selling at a premium to soft red winter wheat there is likely to be significant feeding of wheat on the eastern US

seaboard, particularly between the wheat and corn harvests.

Quite where price rationing will occur during the next six months is difficult to assess. For corn wheat supplies are something of a safety valve. For soya beans and more particularly soya oil, palm and other hard oils may provide the slack.

Looking forward the USDA prospective planting report provided a balance between corn and soyabean area that appears unlikely to resolve the tight supply situation for either. Perspective corn and soyabean plantings are 4.5 and one percent above 2010 actual and slightly below individual recent record areas in 207 and 2009. The largest increase in area was for cotton up 14 percent from last year in response to prices more than doubling since this time last year. Total area seeded to major crops was up 3 percent. This extra area came from the various dimension of forage production and the Conservation Reserve Program.

Opinion: The old government true to political form raised Canadian Wheat Board (CWB) initial payments just three days after calling an elections. One wonders why any government would want to disband an agency such as the CWB that provides the opportunity to buy farmers' votes with the farmers' own money.

David Walker, Edmonton, AB, CA, 110401