

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

## Grains &amp; Related

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	296.33	267.31	173.43
HRW Wheat	Jul	342.81	320.40	181.51
HRS Wheat	Jul	367.34	330.78	189.04
Corn	Jul	299.00	268.49	145.27
Oats	Jul	236.02	223.38	127.09
W. Barley	Jul N	205.00	205.00	145.50
Ethanol	Jul	70.43	66.15	42.35

## Oilseeds, Related &amp; Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Jul	507.15	488.50	345.75
Soya Meal	Jul	397.51	380.75	303.81
Soya Oil	Jul	1,266.82	1,237.72	814.86
Canola	Jul	577.10	554.80	378.30
Crude Oil	Jul	99.49	99.65	69.87
Dollar Index	Jun	75.80	75.97	85.65
DJIA	Jun	12,474	12,555	10,160

**Comment:** Most grain futures contracts were up in excess of 10 percent on the week while oilseed and product contracts were generally less than 5 percent higher. For corn the concern has been wet field conditions and delayed seeding in the eastern Corn Belt. While overall progress may only be a week or so behind normal with all the catch up needed in a few states, the lag will likely last until it is too late in these areas.

For wheat the market has been supported by the prospect for reduced winter crop yields resulting from dry condition in the southern Great Plains and delayed seeding on both sides of the 49th limiting yield potential and encouraging seeding of alternative crops. Compounding this are reports of drought induced reduced yield prospects from Europe.

For soya beans, late seeding in the eastern Corn Belt means more beans and enhanced supply prospect putting something of a damper on advances supported by grain markets.

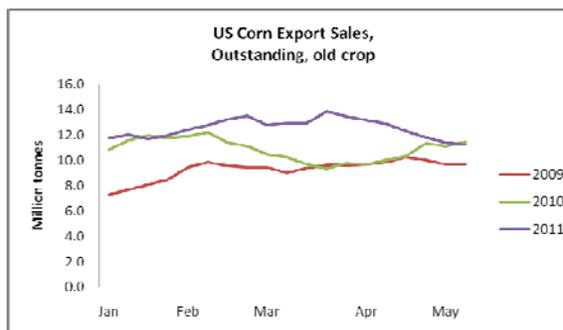
**News:** US planting progress to May 15 was reported 63, 22 and 36 percent complete, for maize, soya beans and spring wheat, compared respectively to 75, 31 and 76 percent five-year averages. While corn progress looks less than a week behind the five year average, progress varied from 92 percent complete in Iowa to 7 percent in Ohio. That suggests chances for catch up may be limited in the late states.

For winter wheat 32 percent of reports were for good or excellent crop condition, down one point from last week and down 17 points on last year and 34 on the five-year average and below anything seen in the last years.

On the Prairies there is also something of a divide

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between east and west. After two and half weeks of almost ideal weather seeding progress in central and northern AB is probably already back on track. To the east and particularly in eastern SK and western MB rain has further delayed progress.



**Opinion:** The US corn market has been playing something of a pivotal role that may have implications for markets beyond the upcoming crop year. Surely the progress with seeding is having an immediate and very major impact on new crop prices. But more critical in the longer term is where prices have, or will have to be, to begin to ration use of old crop supplies.

In both 2009 and 2010 year end - August 31, stocks of corn were relatively adequate in comparisons with this year's USDA projection of 17.1M tonnes. For much of the early spring this year's outstanding export sales were running well above levels of the last two years. Statistically they need to decline relative to 2009 and 2010 and this they have done indicating prices rationing use. It was this that perhaps prompted the USDA to unexpectedly lower its export forecast.

David Walker, Edmonton, AB, CA, 110520