open i

Grain and Oilseed Markets

For the week ending Friday, 06-Jun-11

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

Grains & Related					Oilseeds, Related & Others				
Commodity	**Month**	**This week**	**Last week**	**Year ago**	**Commodity**	**Month**	**This week**	**Last week**	**Year ago**
SRW Wheat	Jul	*284.58*	301.20	160.93	Soya Beans	Jul	519.18	506.69	343.55
HRW Wheat	Jul	335.37	346.49	170.86	Soya Meal	Jul	406.44	391.55	305.57
HRS Wheat	Jul	394.53	388.83	181.05	Soya Oil	Jul	1,294.82	1,291.95	810.89
Corn	Jul	296.84	298.61	133.85	Canola	Jul	599.80	599.70	375.90
Oats	Jul	245.10	248.18	125.79	Crude Oil	Jul	100.22	100.59	71.51
W. Barley	Jul N	205.00	205.00	147.50	Dollar Index	Sep	74.18	75.49	88.81
Ethanol	Jul	70.03	70.32	41.48	DJIA	Sep	12,169	12,360	9,888

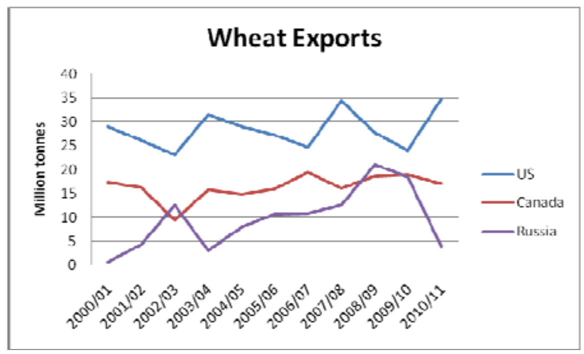
Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

Comment: Corn prices were down slightly with supportive adverse conditions for planting more than offset by a somewhat disappointing export sales report, renewed concerns over general economic conditions and the lifting of the Russian grain export embargo. Wheat had two down days on the news of the end to the Russian grain embargo even though this was widely anticipated. Spring wheat premiums continue to widen with delayed seeding and prospects for tight supplies of quality wheat. Concerns over actual soybeans planting supported the soya complex.

News: The USDA reported crop emergence to May 29 as 66, 27 and 40 percent, for corn, soya beans and spring wheat, compared respectively to 78, 39 and 81 percent five-year averages. Much of the US corn crop is on schedule but in Ohio and some neighbouring states progress is seriously delayed. For spring wheat crop progress is trailing pretty well everywhere. The condition of the winter wheat crop is reported as holding and even improving slightly against a normal late season declining trend. But any improvement in prospects can at best be marginal. The USDA will start reporting harvest progress next week and with mostly light crops in the southern Great Plains progress is likely to disappointingly rapid.

The Canadian Wheat Board reported, as of June 3, Prairie seeding progress at 73 percent complete - on a par with last year but trailing an 87 normal. Seeding delays are most significant from south-central Saskatchewan east to central Manitoba. Most areas received some moisture last week which was generally welcome.

In eastern Canada national borders have not protection provided protection from weather trends. Conditions north of Lake Erie in southern Ontario are delayed in the same way as they are south of it in Ohio. Away from this area, however, progress appears more normal.



Opinion: The lifting of the Russian export embargo was the news of the week, as it was when it was imposed. But was it significant in itself?
Its causes were, of course, a poor Russian crop and a fragile Russian democracy. The powers that be in Moscow are likely eager to earn hard currency from grain trade but the political implications of rising food costs were more immediate.
The bottom line for the world at large was that more wheat was probably consumed in Russia than would otherwise have been and hence price rationing elsewhere had to be more severe. But the impact was probably not overly significant.
For the unfortunates who have to buy grain from the Russians, the implications are more worrisome. Anybody would like to build in a contingency cost when dealing with an unreliable seller. But the competitive nature of the grain trade probably prohibits this.
And the combination of volatile Russian yields and the need to sell for hard currency means a year like the one now passing will surely be repeated.

David Walker, Edmonton, AB, CA, 110603