

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

Grains & Related

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	224.96	242.87	184.82
HRW Wheat	Sep	264.83	281.91	188.86
HRS Wheat	Sep	295.60	300.74	195.11
Corn	Sep	238.87	258.65	146.65
Oats	Sep	225.00	220.46	160.48
W. Barley	Oct N	205.00	205.00	152.50
Ethanol	Sep	63.45	66.68	40.81

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Sep	481.15	481.61	336.66
Soya Meal	Sep	377.55	374.14	302.82
Soya Oil	Sep	1,224.71	1,226.03	800.53
Canola	Nov	552.60	565.90	421.80
Crude Oil	Sep	95.51	91.71	72.65
Dollar Index	Sep	74.62	76.22	84.66
DJIA	Sep	12,514	11,872	9,630

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

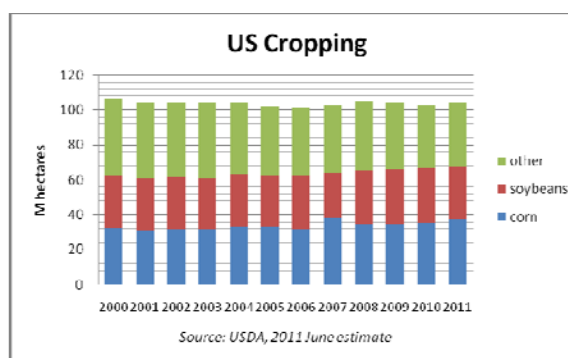
COMMENT: The waxing and waning of expectations for the global economy, in line with the confidence, or lack thereof, in the Euro, earlier in the week, was totally swamped by Thursday's very negative USDA stocks and area reports for corn.

Corn prices sank to just about the lowest nearby futures levels in 2011. And wheat and oilseed complex were dragged down with corn on the day of the report, stabilized thereafter but not sufficiently to leave prices in negative territory.

NEWS: June 1 stocks of wheat, corn and soya beans were reported at 19.9M, 50.5M and 10.9M tonnes, respectively down 12, down 12 and up 8 percent from a year ago. These stocks and particularly for those for corn which were above the full range of trade expectations proved usage of corn has been rationed by record high corn prices, as will be documented by next month's USDA Supply and Demand projections.

Area seeded to corn and soya beans were reported by the USDA at 37.3M and 30.4M hectares, respectively, up 5 and down 3 percent from 2010. The expectation was that rain delays in seeding would reduce US corn acreage at the expense of soya beans. Mid West farmers again proved that they have the tackle to handle less than ideal conditions, particularly if there is an incentive.

It was mostly a wet week on the Prairies with rain for the most part welcome, except in those areas where even seeding of grain for green feed may be abandoned. Elsewhere yield prospects look favourable and particularly so for winter wheat which is now mostly heading.



OPINION: The swing in seeded area between corn and soybeans by US farmers receives much attention, but is often not well anticipated as was the case this year. Receiving less attention is the continuing growth in area devoted to these two crops in combination. And this has come at the expense of other crops as further sources such as pasture and the Conservation Reserve Program do not seem to have added much to cropping area.

Bigger contributors have been the development of more climate tolerant varieties of corn allowing gains at expense of sorghum and wheat at the eastern margins of the high plains, the winding down of support programs for cotton in the south and simply improved margins for the production of these two crops within the Corn Belt.

This trend seems to be in contrast to Canada where the increased popularity over the years of such crops as canola and peas has added to the diversity of Prairie cropping.

David Walker, Edmonton, AB, CA, 110701