

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

## Grains &amp; Related

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	239.29	224.96	197.68
HRW Wheat	Sep	267.21	264.83	203.28
HRS Wheat	Sep	300.19	295.60	206.86
Corn	Sep	252.94	238.87	150.98
Oats	Sep	226.62	225.00	171.83
W. Barley	Oct N	205.00	205.00	156.50
Ethanol	Sep	68.34	63.45	41.90

## Oilseeds, Related &amp; Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Sep	494.19	481.15	355.12
Soya Meal	Sep	383.95	377.55	318.14
Soya Oil	Sep	1,246.76	1,224.71	830.07
Canola	Nov	563.40	552.60	434.70
Crude Oil	Sep	99.14	95.51	76.63
Dollar Index	Sep	75.13	74.62	84.20
DJIA	Sep	12,571	12,514	10,132

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

**COMMENT:** The corn market appeared to lead the others with confirmation of Chinese purchases of US corn early in the week and forecasts for weather adverse for corn silking later. US exports for the previous week came in higher than expected by the trade.

Egypt bought exclusively Russian wheat in its first tender since the lifting of the Russian export embargo. US exports sales for the previous week were, however, about as expected. Not unexpectedly, protein levels of recently harvested hard red winter wheat have been good which pressured prices for hard red spring wheat. But wheat values seem again to be supported by corn.

The soya complex was faced by sluggish demand, at a time when record South American crops are being marketed, and some nervousness about US crop prospects.

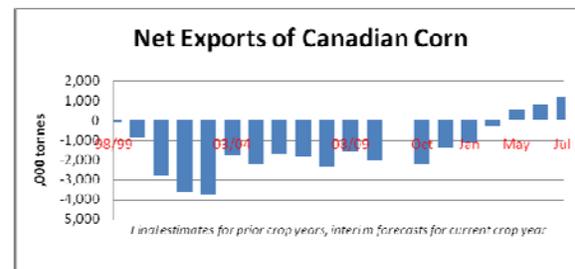
**NEWS:** Ag Canada revised its S&D's this week to reflect Stats Canada's early June survey area estimates published last week. As seeding was delayed in some areas this information will be subject to revision, although Ag Canada's has allowed for higher than normal crop abandonment. General output is projected higher but not enough to offset lower beginning stocks.

For both wheat and durum downward revisions in 2011 seeded areas are expected to cut into previously forecasted exports. For barley a lower seeded area is expected to cut further into ending stocks which would be well below anything seen in the last 30 years. A similar scenario is evident for oats although ending stocks will be above drought levels of 2002 and 2003. A downward revision in canola area is

expected to result in lower ending stocks than earlier forecast but only to the level of this year.

The CWB suggested that the seasonal temperatures and limited rains of last week were precisely what was required for Prairie crops at this point. Challenges with excess moisture, restricting spraying and top dressing, remain fairly widespread and crop development is still generally behind normal.

In the US senate, as a deficit cutting measure, bipartisan agreement was reached to eliminate the 11.9UScents per litre fuel ethanol blending tax credit and 14.3 c/l import duty. As blending mandates would stay in place the impact of this, if also approved by the House and Administration, would not have a substantial immediate impact on markets.



**OPINION:** Canadian corn production, mainly in Ontario, generally gets little attention as it is minor compared to the US and the balance of trade is generally negative. Last fall a typical scenario of net imports for the crop year of 2.2M tonnes was anticipated. But subsequently Ag Canada has revised imports down and exports up, with a current trade surplus of 1.2M tonnes, balanced by reduced domestic feed use and ending stocks. This is almost certainly a reflection of international market pressures rather than domestic developments.

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