

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	Dec	284.94	292.84	272.27
HRW Wheat	Dec	323.34	327.75	278.42
HRS Wheat	Dec	346.40	344.19	278.60
Corn	Dec	299.20	301.96	182.87
Oats	Dec	239.27	251.59	191.28
W. Barley	Oct	215.00	201.00	175.00
Ethanol	Dec	72.70	73.81	47.87

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

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Nov	531.21	526.34	380.29
Soya Meal	Dec	424.40	420.11	334.34
Soya Oil	Dec	1,276.08	1,263.73	900.84
Canola	Nov	575.90	567.50	461.10
Crude Oil	Dec	87.13	86.05	77.15
Dollar Index	Dec	75.07	74.19	82.36
DJIA	Dec	11,145	11,208	10,371

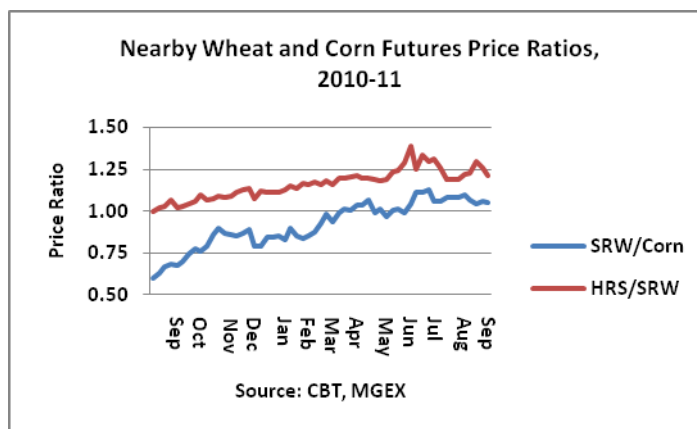
COMMENT: The corn market seems firmly focused on crop prospects with a single private US crop forecast moving the market by as much as 3% on Friday. Having said that prices declined by just as much earlier in the week in the absence of any supporting news and prices were lower overall over the week.

Soft red winter (SRW) wheat prices continue to appear to be supported by the corn values with offshore sales prospects appearing in decline. For hard red spring (HRS) wheats, at the other end of the quality spectrum, uncertain US harvest prospects are supporting values. Further soil moisture conditions for seeding hard red winter wheat are an increasing concern. As with corn, uncertainty about yield prospects is supporting soya bean prices.

NEWS: The CWB reported Prairie harvest, as of August 30, 14% complete, compared to 11% last year and a 17% average. It is ahead of normal in MB, 29% compared to 24%, and trailing in AB, 9% compared to 17%, and at 14% in SK about average. It noted that generally dry and consistently above normal temperatures were ideal for ripening and harvesting crops.

The CWB delayed its traditional end of crop year news conference by a month which meant that its crop estimates were made after, rather than before, Stats Can's first estimate. The all-wheat and durum Prairie production forecasts at 21.3M and 3.9M tonnes were more optimistic than Stats Can. But its barley production forecast at 8.0M tonnes appeared less so. It had raised its wheat forecast by a million tonnes from its initial projections in June due to

improved growing conditions.



OPINION: Price relationships between the major grains have reversed over the last 12 months. Last summer the world was short of wheat and it seemed anything from which flour could be produced was worth equal money and with an excellent US HRS wheat crop, HRSs were even at times discounted to SRWs. Feed grain appeared in better supply and corn was accordingly discounted.

With a recovery in global wheat production but coarse grain supplies, and notably US corn, increasingly a concern to consumers conventional premiums for HRS's have returned and SRW values are being supported by corn albeit at a discount.

The market price evidence is that user substitution will not result in any correction in this situation before 2012 harvests weigh on supplies.

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