

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	268.13	284.94	270.70
HRW Wheat	Dec	305.89	323.34	278.97
HRS Wheat	Dec	333.35	346.40	278.15
Corn	Dec	289.95	299.20	188.28
Oats	Dec	225.81	239.27	210.09
W. Barley	Oct N	215.00	215.00	170.00
Ethanol	Dec	71.19	72.70	49.24

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Nov	524.23	531.21	378.82
Soya Meal	Dec	413.49	424.40	323.76
Soya Oil	Dec	1,294.38	1,276.08	920.68
Canola	Nov	573.00	575.90	458.10
Crude Oil	Dec	87.41	87.13	78.25
Dollar Index	Dec	77.71	75.07	82.73
DJIA	Dec	10,879	11,145	10,393

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

COMMENT: Corn values have backed off from last week's contract highs even with continued down grading of US harvest prospects in advance of Monday's USDA survey estimate. Export sales continue to appear to be relatively subdued particularly in the context of the approaching harvest.

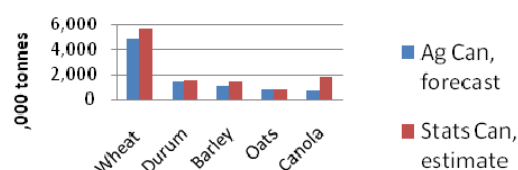
Wheat price were likewise lower and well below their contract highs of May. Concern continues over slack demand but last week's export sales were above expectation although unknown destinations, seen as most likely to be cancelled, dominated. Reportedly supported by higher crude oil prices, soya oil was the only oilseed contract to advance.

NEWS: Statistics Canada reported year end, July 31 **Canadian stocks** of wheat (excluding durum) at 5.6M tonnes, 9 percent above year earlier levels. Durum, oats, barley and canola stocks at 1.6M, 0.8M, 1.4M and 1.8M tonnes were, respectively, 41, 34, 44 and 19 percent below year earlier levels. Wheat, barley and particularly canola stocks were above general expectations while durum and oats were close to such. The explanation for the unexpectedly large canola stock figure was, it seems, a well hidden upward revision in 2010 canola production.

The CWB reported that, with harvest-favourable weather last week, about 33 per cent of the crop had been combined as of Sept 5, compared to about 31 per cent normally, and only 18 per cent last year.

Canadian Grain Stocks, July 31 2011

Forecasts and Estimates



Source: Statistics Canada, Agriculture and AgriFood Canada

OPINION: On-farm stocks are perhaps the most tricky of all crop statistics for Statistics Canada to garner accurately. Folklore suggests there are a number of reasons why farmers are cagey about letting anybody know what is in those bins at the far side of the Back Forty, particularly the Canadian Revenue Agency, the bank and perhaps now Stats Can. And former federal Industry Minister Clement's face-off last year with Stats Can has not helped in this respect.

To anticipate ending stocks you need to figure the feed or residual component of use for the crop year. With DDG's (digestible distillers grain) of domestic and US origin cutting into conventional feed grain use one can see how feed use was over estimated and ending stocks forecasts as a result were too high. This is less of a factor for durum and oats so these forecasts were tight. For canola the error was for an entirely reason – 2010 production was under estimated. It was unfortunate that Stats Can did not see fit in a 49-page report to make note of this!

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