

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	252.88	268.13	271.62
HRW Wheat	Dec	288.07	305.89	282.28
HRS Wheat	Dec	314.61	333.35	284.12
Corn	Dec	272.43	289.95	202.06
Oats	Dec	224.03	225.81	230.84
W. Barley	Oct	208.00	215.00	170.00
Ethanol	Dec	67.79	71.19	52.25

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Nov	501.54	524.23	392.78
Soya Meal	Dec	390.23	413.49	340.07
Soya Oil	Dec	1,254.47	1,294.38	932.59
Canola	Nov	551.00	573.00	476.20
Crude Oil	Dec	88.44	87.41	76.53
Dollar Index	Dec	77.10	77.71	81.66
DJIA	Dec	11,415	10,879	10,538

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

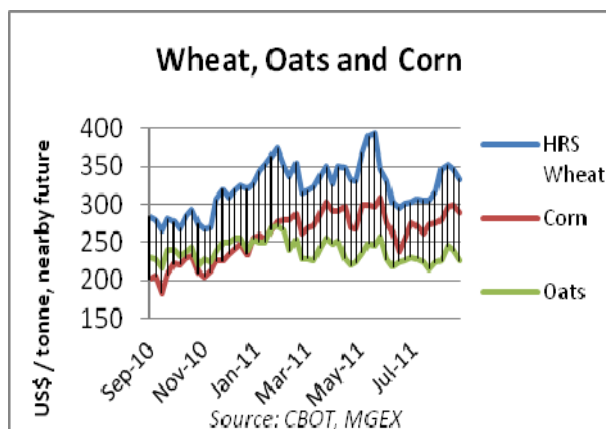
COMMENT: After reacting positively to Monday's monthly USDA reports, corn prices retreated, as it seems that there was not enough follow through news to satisfy the bulls. Weekly crop conditions were reported as relative stable and corn sales about where they need to be to meet current export projections. Monday's reports were less positive for wheat but prices followed corn up, and then down, with forecasts for much needed rain in the southern Great Plains also weighing on prices. For oilseeds it was five straight days down as Monday's USDA reports unexpectedly raised output and supply.

NEWS: Another week of generally fine weather on the Prairies, great for harvest, but with that the risk of frost. This hit NE AB and NW SK on the morning of Sept 14. With only the less mature crops susceptible and the intensity and duration of the frost variable, actual damage will likely only be assessed after harvesting.

The CWB estimated that harvest was 60 complete as of Sept 13, compared to a 49 percent average and 23 percent last year. Even in AB where the crop has until quite recently been reported to be 7 to 10 days behind normal, harvest was assessed as 53 percent complete versus a 44 percent average. Several days of close 30c highs last week clearly bought the crop along in a hurry.

While USDA crop conditions reports mean less as corn and soya beans mature, last week was the first since late July that conditions for these two crops had not been marked down. At 53 percent good and excellent the corn crop condition is the poorest since 2005, but way better than 2002 and 2003. The scenario is the about same for soya beans. Planting the 2012 winter wheat crop has begun but it will be 5 or 6 weeks before condition reports will start.

As anticipated on Monday USDA production estimates for corn were revised down as were forecasts for most uses and ending stocks. Globally coarse grain ending stocks were revised up, as lower usage expectations exceeded cuts in output. Global wheat supplies were raised due to increased output estimates for Canada, Europe and the FSU.



OPINION: When prices are a consideration oats have traditionally been regarded as a feed grain with some niche markets. But an increasing proportion of oat supplies find their way into human diets and the CBOT specs are for milling oats. Recently oat prices have not followed corn prices to record levels and price movements seem increasingly related to wheat values. Competition for seeded area rather than demand factors are seen as the issue. Western Canada is now virtually the only source for the US which has for many years been a net importer

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