

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

| Grains & Related | | | | | Oilseeds, Related & Others | | | | |
|------------------|-------|-----------|-----------|----------|----------------------------|-------|-----------|-----------|----------|
| Commodity | Month | This week | Last week | Year ago | Commodity | Month | This week | Last week | Year ago |
| SRW Wheat | Dec | 223.21 | 223.86 | 264.27 | Soya Beans | Nov | 426.59 | 433.20 | 417.03 |
| HRW Wheat | Dec | 251.51 | 258.67 | 278.70 | Soya Meal | Dec | 335.45 | 340.19 | 348.56 |
| HRS Wheat | Dec | 337.85 | 327.84 | 280.90 | Soya Oil | Dec | 1,087.36 | 1,106.98 | 1,027.83 |
| Corn | Dec | 236.21 | 233.26 | 207.96 | Canola | Nov | 518.60 | 523.80 | 488.30 |
| Oats | Dec | 211.55 | 212.68 | 239.59 | Crude Oil | Dec | 83.17 | 79.33 | 83.35 |
| W. Barley | DecN | 213.00 | 215.00 | 180.00 | Dollar Index | Dec | 79.16 | 79.13 | 77.50 |
| Ethanol | Dec | 65.73 | 61.50 | 55.56 | DJIA | Dec | 11,070 | 10,945 | 10,947 |

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

COMMENT: Old fashioned fundamentals appeared to have regained some of their influence this week as perhaps a little immunity to Euro disaster news has developed. For corn the expectation of imminent harvest sales pressure kept prices on the defensive later in the week, even though last week's export sales were as high as they have been since June. The market appears to be discounting an increase in the USDA's production estimates next week.

Forecasts for rains for the US southern Plains where the hard red winter wheat crop is being planted in dry conditions weighed on prices as did reports of continued prospects for a close to record Australian wheat output and rain relief for the Argentine crop. Widening premiums for hard red spring wheat following a poor harvest were another salient feature.

As with corn post harvest supplies were seen as weighing on soybean prices. And as is often the case external markets were seen as more of an influence on the soya complex, with some recovery in confidence following improved employment data.

NEWS: Statistics Canada's adjustments between its July and September production estimates of significance were limited to durum up 5%, barley down 4%, and flax up 4%. Other crop estimates were adjusted by one percent or less. The relatively fine August weather would explain these three adjustments, alone.

In fact, the largest adjustments between the two survey reports were for 2010 "final" estimates

for canola and oats, both raised by almost 8%. Again, weather was surely a factor in these adjustments – see Opinion below.

For most of last week warm and dry weather conditions continued over the Prairies, with damp weather moving in over the weekend and persisting in western regions where the bulk of unharvested crop is located. The CWB estimated harvest 92 percent complete as of Oct. 3, compared to the 88 percent average.

OPINION: The final Statistics Canada estimate survey last fall was made before the much later than usual harvest was completed, and the weather following the survey may have been more favourable than expected. Hence, more crop was salvaged than expected at the time of the survey. This is not a unique event.

South of the border the USDA Statistical Reporting Service resurveys areas where significant crop is still in the field at the time of final scheduled survey. Stats Can does not appear to have the flexibility or budget for this.

"Necessary" adjustments are made in the context of supply and disposition and first see the light of day in the S&D tables in the Statistics Canada's July 31 stocks report published in early September. They are confirmed in the September estimate of production published in early October. In both instances the new data appeared without comment or explanation.

Stats Can clients deserve better.

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