

## 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	Dec	232.22	228.91	246.45
HRW Wheat	Dec	265.65	259.96	264.18
HRS Wheat	Dec	337.76	327.93	267.58
Corn	Dec	255.70	251.96	220.46
Oats	Dec	218.52	220.46	231.49
W. Barley	DecN	215.00	213.00	180.00
Ethanol	Dec	70.14	68.42	56.35

## Oilseeds, Related &amp; Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Nov	445.42	466.64	440.73
Soya Meal	Dec	349.22	361.13	364.77
Soya Oil	Dec	1,129.91	1,180.40	1,064.87
Canola	Nov	522.10	538.00	513.80
Crude Oil	Dec	87.46	87.00	82.03
Dollar Index	Dec	76.63	76.90	77.62
DJIA	Dec	11,701	11,532	11,090

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

**COMMENT:** The grains were generally up and the oilseed down this week, with the market appearing to be tiring of continuing Euro nonsense news. Gains in corn prices were a recovery from the recent slump. Although in absolute terms export sales last week were the largest since March they were at the low end of trade expectations.

Meagre export demand weigh on prices although continuing drought conditions in a significant HRW wheat area in the western portion of the US Great Plains was supportive. Against this news from most other winter wheat areas was rather positive.

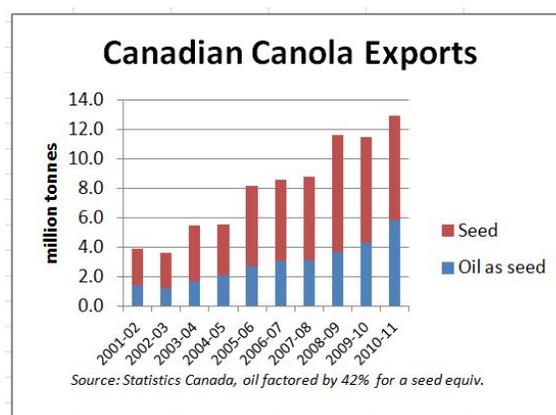
Hard red spring wheat have now been at 40 to 50 percent premium over soft red winter wheats for over a month. Some observers have attributed this to farmers' reluctance to sell at current values.

Oilseeds were weak early in the week with fund selling possibly prompted by lower crude oil prices.

**NEWS:** Canadian canola seed, oil and meal exports for the 2010-11 crop year totalled 7.105M, 2.432M and 2.989M tonnes, respectively, down a fraction, up 34 and up 55 percent. These changes need explanation – two new crushing facilities were opened at Yorkton SK and seemed to have been competing for business in their first full year of operation.

Japan has regained its position as top destination for seed with China slipped to third place behind Mexico with the Middle East contending for the show spot. The US is the dominant destination

for oil although that dominance is not as overwhelming as it was with China now taking over 25 percent of exports. A similar scenario exists for meal where again US dominance as a destination is increasingly challenged by China.



**OPINION:** The adoption of production technology, including minimum till and glyphosate resistant seed has made canola the preferred cropping option over much of Western Canada. This together with the markets ready acceptance of what is now regarded as a superior product had lead to the phenomenal growth in exports.

How much further can this go? Will canola come to dominate cropping the way wheat does in north-western Europe or corn and soya bean in the US Mid West? This would almost certainly require the scientist to stay ahead of close rotation challenges, rather than the need to find new markets.

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