

## 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	236.63	232.22	263.54
HRW Wheat	Dec	271.16	265.65	283.29
HRS Wheat	Dec	338.22	337.76	285.40
Corn	Dec	257.86	255.70	229.12
Oats	Dec	218.03	218.52	238.62
W. Barley	DecN	216.00	215.00	180.00
Ethanol	Dec	69.74	70.14	59.23

## Oilseeds, Related &amp; Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Nov	447.16	445.42	450.47
Soya Meal	Dec	350.00	349.22	372.26
Soya Oil	Dec	1,132.77	1,129.91	1,086.92
Canola	Nov	529.70	522.10	531.40
Crude Oil	Dec	93.33	87.46	81.38
Dollar Index	Dec	75.20	76.63	77.38
DJIA	Dec	12,150	11,701	11,071

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

**COMMENT:** The market was clearly impressed by this week's solution to the Euro debt crisis with the gains on Wednesday largely offsetting losses over the rest of the week, some of which were in anticipation of further fumbling.

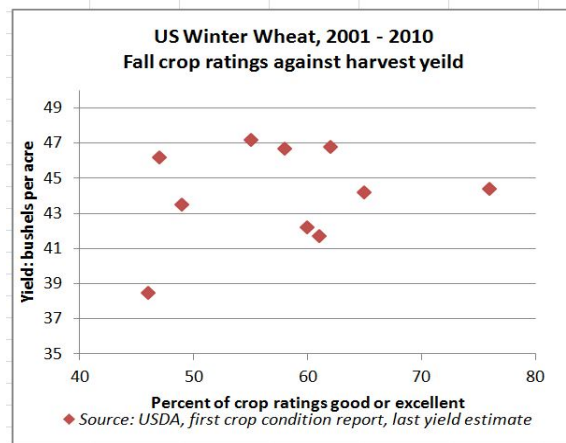
Demand still has to be a concern with total US export sales last week for wheat, corn and soya beans combined totalling less a million tonnes.

Any support for wheat prices stemming from the continued poor condition of the recently seeded US winter crop was offset by news of improved condition of Australian and Argentinean crops, with talk of a record out turn for the former. Favourable South American crop prospects and uncertain demand outlook weigh on oilseed prices, Wednesday respite apart.

**NEWS:** Canadian cumulative exports of nine major grains and oilseeds to October 23, week 12 of the 2011-12 crop year totalled 6.7M tonnes up two percent on 2010-11. Exports during much of this period are pre-harvest, old crop and essentially reflect the supply situation from last year. Wheat, canola and rye exports were up 19, 16 and 16 percent, oats about unchanged and durum, barley, flaxseed and peas down 29, 39, 20 and 16 percent. As the Canadian corn crop was pretty well cleaned up before the beginning of the crop year, there were next to no corn exports.

The first crop condition report for the US winter wheat crop, to be harvest next spring/summer, highlighted concern for a second successive year. As of October 23, only 47 percent of crop reporters assessed conditions as good or excellent, compared the same level a year ago

and a 58 percent five-year average. Not since 2001 has it been rated in poorer condition. As is usually the case, the hard red winter wheat areas of the southern Great Plains that are suffering.



**OPINION:** We would not question USDA crop assessments in terms of the current state of the crop which they are designed to measure. But that of their implications for harvest yields which are for winter wheat eight months away is another matter. Last year, when respectable yields resulted from a crop that had a poor start, is a case in point. But experience does suggest that a crop that gets a good start, which almost certainly means good soil moisture in the fall, eventually yields well – no data points in the bottom right hand corner of the scatter chart. This means the 2012 US winter wheat crop conditions will continue to need watching.

David Walker, Edmonton, AB, CA