

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	226.61	233.96	245.90
HRW Wheat	Dec	258.67	263.82	268.22
HRS Wheat	Dec	343.27	339.41	273.64
Corn	Dec	251.37	258.16	210.23
Oats	Dec	208.47	213.33	220.14
W. Barley	DecN	217.00	216.00	180.10
Ethanol	Dec	69.90	70.64	56.51

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Jan	431.92	448.63	466.27
Soya Meal	Jan	332.47	350.00	376.67
Soya Oil	Jan	1,128.81	1,149.31	1,165.18
Canola	Jan	515.50	553.80	537.10
Crude Oil	Dec	98.57	94.35	84.88
Dollar Index	Dec	77.14	77.18	78.26
DJIA	Dec	12,090	11,875	11,152

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

COMMENT: Even though the USDA reports on Wednesday were considered positive at least for corn markets were lower on Euro zone developments. And that was again the theme of the week. Also weighing corn values was substitution – not US wheat for US corn but Ukrainian wheat for US corn in East Asian markets.

Concerns about the development of the US hard red winter crop and talk of US east coast wheat import have pushed the HRS/SRW to over 50 percent, a level not seen since the winter of 2008. And reports of less than favourable harvesting weather in the southern hemisphere are probably also contributing. Oilseeds were probably seen more at risk to a Euro melt down than the grains and consequently suffered more although improved seeding conditions in South America undoubtedly weighed on values.

NEWS: The USDA November production estimates, published Wednesday, reduced corn and soya beans output one percent and “slightly” from the October forecast. Maize production is now estimated at 312.7Mt, down 1% from the 2010, and soya beans production at 82.9Mt, down 14% from last year.

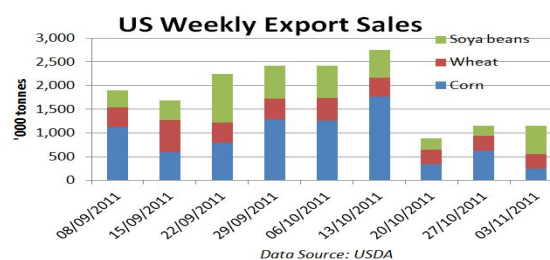
USDA monthly wheat supply and demand revisions left wheat disposition virtually unchanged with a small cut in ending stocks offsetting a small, and late, revision to spring wheat output. Most of the 3M tonne cut in corn production was balanced by a lower forecast for feed usage with very little coming from previous tight ending stocks. For soya beans forecast ending stocks were raised 20 percent with a 1.4M tonne cut in exports more than offsetting the slight reduction in the output estimate.

USDA raised both its world wheat output and usage projections leaving ending stocks about unchanged.

While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.

For world coarse grains adjustments in output were largely offsetting but resulted in small cut in the total which together with a small increase in forecast usage reduced the forecast for ending stocks by just 0.4%.

For global oilseeds a small increase in output forecast, resulting from improved South American prospects, was reflected in a 1% increase in the ending stocks projection.



OPINION: You might expect that after almost 50 years of the EU's Common Agricultural Policy, which attempts to isolate its agricultural markets from international influences, some protection might be afforded in the other direction from the euro zoo. While ag commodity prices have held up relatively well under the circumstances, it seems there is reluctance to do business. US weekly export sales have been running at less than half of what they were in early October. Nobody seems anxious to do much business ... for the moment.

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