

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	Mar	229.83	216.42	286.23
HRW Wheat	Mar	250.40	240.30	302.03
HRS Wheat	Mar	310.30	296.70	306.90
Corn	Mar	234.34	232.27	225.58
Oats	Mar	204.25	186.10	237.97
W. Barley	Mar	220.00	220.00	194.00
Ethanol	Dec	58.54	56.80	55.87

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Jan	417.31	406.38	479.68
Soya Meal	Jan	317.81	311.63	387.59
Soya Oil	Jan	1,107.86	1,063.33	1,178.41
Canola	Jan	502.30	503.20	553.30
Crude Oil	Jan	101.22	96.77	89.19
Dollar Index	Mar	79.16	80.30	79.59
DJIA	Mar	11,956	11,120	11,298

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

COMMENT: Markets were stronger this week with more positive US economic news, external intervention in EU financial markets and perhaps by EU plans to regulate euro member state's budgets.

Gains in corn prices were undoubtedly limited by yet another week of disappointing export sales data. Also much was made of corn trading below wheat on a bushel basis on the Chicago exchange for the first time in about six months.

The sentiment supporting the wheat market was that prices had probably declined as much as they needed to be competitive which appears to be supported by improving weekly export sales.

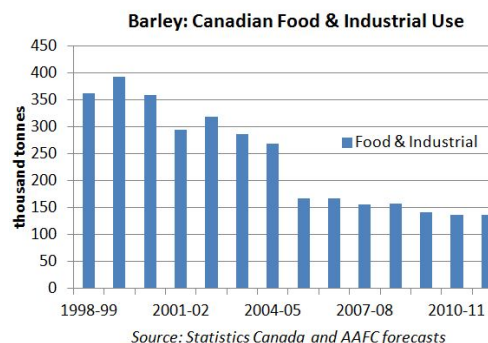
For the oilseed complex all eyes are on the South American crops. While conditions are reported as being favourable some caution has emerged in the context of longer term weather forecasts. The weaker canola prices reflect the strength this week of the Canadian dollar against its US counterpart.

NEWS: Last week's Canadian Wheat Board (CWB) Pool Return Outlook commentary reflected some change in the global malting barley situation. Less than ideal European malting barley quality limited competition in offshore markets, particularly China, for Canada earlier in the fall. Larger supplies of Australian and likely Argentine malting barley and at least in the case of Western Australia a fair quality harvest now means stiffer competition. Prospects for exports to the US, however, remain promising with the smallest US barley crop since 1936 together with quality problems.

The CWB was mute on domestic sales prospects.

OPINION: Often, possibly too often, the CWB is criticized for not getting good enough prices for farmers. But an area where not much of such is heard is in the context of the designated – malting, barley pools. The use by farmers of the term “lotto malt” almost suggests the converse.

What is clear is that domestic malting barley consumption has declined rapidly in recent years, see graph. This may be the result of changing demographics, brewing technology and consumer preferences. But the CWB may also be tending to price malt out of the brew.



With the end of the CWB single selling desk in sight, it will be interesting to see whether the opportunity for maltster to deal directly with farmers and farmers with maltster will signal a turn round in the declining trend in domestic malt usage. Perhaps we should see an “all malt brewed” logo against the “union made” logo on product labels where appropriate.

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