

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	218.99	229.83	285.68
HRW Wheat	Mar	243.06	250.40	305.70
HRS Wheat	Mar	303.96	310.30	319.48
Corn	Mar	234.05	234.34	226.07
Oats	Mar	195.82	204.25	249.64
W. Barley	Mar	220.00	220.00	194.00
Ethanol	Dec	55.87	58.54	55.87

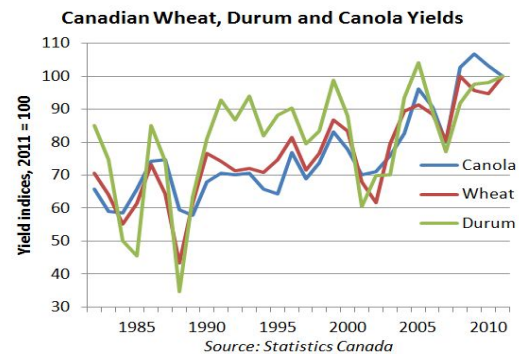
Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Jan	406.75	417.31	467.74
Soya Meal	Jan	305.24	317.81	369.84
Soya Oil	Jan	1,093.53	1,107.86	1,193.85
Canola	Jan	499.50	502.30	565.40
Crude Oil	Jan	99.46	101.22	87.80
Dollar Index	Mar	79.17	79.16	80.44
DJIA	Mar	12,114	11,956	11,344

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

COMMENT: While markets continued to be driven by perceptions of progress, or lack thereof, by Europeans in resolving their debt crisis, more direct fundamentals began to play a bigger role. On Thursday US export sales for the previous week were better than expected for corn and disappointing for wheat. Fridays USDA's supply and demand(S&D) were generally negative in terms of reflecting the expectation of weakening demand for the balance of the crop year and some improvement in supply for late estimates for and/or late harvested crops. While there may have been disappointment that gains of last week were not sustained and enhanced, losses this week did not generally take prices to the lows of two weeks ago.

NEWS: Statistics Canada's raised yield estimates and thus output for most Prairie grains and oilseeds in its November estimate of production. Most notably canola production was a record 14.2M tonnes, wheat yields matching those of 2008, and durum yields as good as anything seen in the last 30 years. For AB and most of SK a cool and wet start to the season combined with warmer and drier conditions later left little opportunity for complaint. Perhaps MB, where weather conditions were far from ideal, will be more fortunate next year. The only two Prairie crops for which the production estimates were a disappointment were barley and flax. In Eastern Canada corn and soya bean output was revised up, but is still lower than in 2010.



The focus for Friday's USDA's S&D's forecast revisions was on use. For wheat a cut in export projections pushed ending stocks above year earlier levels. Corn forecasts were left virtually unchanged but a 2 percent cut in projected soya bean exports also pushed ending stocks above year earlier levels.

From a Canadian perspective, an increase of 77K tonnes in the US oat import forecast, based on brisk trade across the 49th to date this season, has some significance.

The USDA raised both global wheat and coarse grain supply projections, balancing these in the main with higher ending stock expectations.

OPINION: More than enough has been written on the judicial ruling on the proposed changes to CWB legislation. Ottawa clearly intends to proceed and we should be focusing on that reality. For instance what does the ICE plan for its futures market. There appears to have been little consultation or public discussion and time is running out for such.

David Walker, Edmonton, AB, CA