

## 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	Mar	214.49	218.99	278.05
HRW Wheat	Mar	234.97	243.06	298.26
HRS Wheat	Mar	298.08	303.96	309.38
Corn	Mar	229.52	234.05	234.83
Oats	Mar	195.34	195.82	250.61
W. Barley	Mar	N/A	220.00	194.00
Ethanol	Dec	55.87	55.87	58.88

## Oilseeds, Related &amp; Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Jan	415.20	406.75	481.52
Soya Meal	Jan	320.01	305.24	383.40
Soya Oil	Jan	1,092.43	1,093.53	1,193.40
Canola	Jan	506.30	499.50	560.50
Crude Oil	Jan	94.07	99.46	89.38
Dollar Index	Mar	80.79	79.17	80.73
DJIA	Mar	11,780	12,114	11,430

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

**COMMENT:** Grains and oilseed prices were generally lower in the face of a continued deterioration of the debt situation in Europe. But losses were not as substantial as those in outside markets. Nothing has improved for demand aspects but concerns about dry conditions in South America particularly for soya beans supported prices of all ag commodities late in the week. Report of a 200K tonne US sale of corn to Japan was a bright spot on Friday but only after another dim USDA weekly export sales report on Thursday.

**NEWS:** Agriculture and AgriFood Canada revised its Supply and Disposition projections this week following StatsCan's November production estimates. The increases in supply were generally distributed fairly even between the elements of disposition. For instance for wheat an extra 873K tonnes of supplies were balanced by an extra 200K tonnes of exports, 160K tonnes of feed and residual and 500K tonnes of ending stocks. The exception was for canola where 0.9M tonnes of the extra 1.2M tonnes of supply was added to exports and just 0.3M tonnes to ending stocks. This market appears robust even in the face of recessionary economic conditions. Reduced barley supplies were offset mainly by a forecast reduction in already tight ending stocks. With a quality wheat crop, premium US corn prices and the supply of DDG's from the ethanol industry tightening, feeders will be challenged.

**OPINION:** With the conclusion of the CWB's single desk now legislated for July 31 2012, it is probably urgent that debate move on to the

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trading environment that will follow.

Specifications of wheat, durum and barley contracts have recently been posted on the International Commodity Exchange website, with links at the bottom of the page [https://www.theice.com/futures\\_canada.jhtml](https://www.theice.com/futures_canada.jhtml)

No fanfare, but an air of finality that would not have been characteristic of the old Winnipeg Commodity Exchange.

The three contracts are styled after canola with country delivery, milling wheat West Coast based, durum Great Lakes based, and barley with the smell of Feedlot Alley about it, even if the primary grade spec is 1CW contract.

All this seems quite logical, except for the lack of opportunity for debate which is always an effective means of gaining an understanding. Perhaps that will come after Christmas, delayed by ICE for fear of getting embroiled in earlier debate, no doubt.

David Walker, Edmonton, AB, CA

