

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	229.46	236.07	283.66
HRW Wheat	Mar	249.85	263.45	310.94
HRS Wheat	Mar	294.31	312.13	319.94
Corn	Mar	253.34	254.52	234.24
Oats	Mar	186.26	201.66	240.40
W. Barley	N	217.00	217.00	194.00
Ethanol	Mar	59.25	59.39	58.86

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Mar	439.63	443.76	498.88
Soya Meal	Mar	344.37	345.15	399.82
Soya Oil	Mar	1,127.04	1,155.70	1,252.71
Canola	Mar	523.40	524.30	586.10
Crude Oil	Mar	101.75	99.10	89.22
Dollar Index	Mar	81.60	80.69	81.38
DJIA	Mar	12,319	12,161	11,619

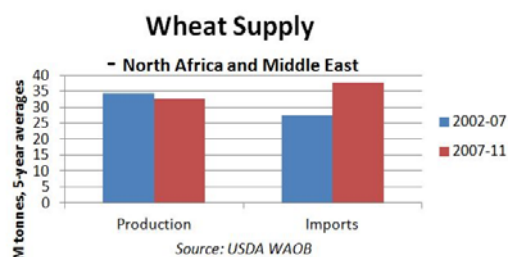
Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

COMMENT: Just when forecasts for improved weather – rain, began to weigh on feed grain prices, sabre rattling by Iran provided support indirectly through the crude oil market. Market participants note that cattle feeding and ethanol production margins are unfavourable and the dollar at 12-month high also weighed on prices.

The impact of reports of improving conditions for the dormant US southern Great Plains winter wheat crop was probably off set by concerns over lack of snow cover and poor soil moisture condition at more northerly latitudes. But an end to adverse global fundamentals does not appear close at hand.

Generally the oilseed complex suffered the same pressures as the feed grain market with forecasts for improved moisture in South America weighing on values.

NEWS: Perhaps in the absence of other issues, CWB's weekly weather highlights report for Western Canada continues to comment on the lack of snow cover over much of Prairies together with warm weather. Of specific concern is the risk to the winter wheat crop posed by any return of cold weather before a snow cover has been re-established. In terms of 2012 prospects it needs to be recognized that while fall seeding of 540,000 hectares of wheat was probably a record for the prairies, it represents less than 7 percent of total 2011 wheat area. In a more general context, there is still plenty of winter to impact on spring seeding prospects.



OPINION: Interestingly a year ago the United Nation's Food Agriculture Organization (FAO), which often seems anxious to attract attention to its cause, in a news release, raised the issue of the potential for third world food riots arising from higher commodity prices. There is no denying that the bottom line prediction was correct for a wide swath of countries stretching across North Africa and the Middle East.

But whether the cause of the riots was food prices is certainly debatable. Also whether food price were, in a relative as opposed to an absolute context, high in this region could also be debated. Crude oil prices, the major source of income for much of the region have almost certainly been higher and more stable than those for imported wheat, a major expenditure for these countries.

Such a crude measure suggests favourable terms of trade situation for this region. The same cannot be said for many European countries on the northern shore of the Mediterranean.

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