

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 | 224.50 | 221.38 | 302.95 |
| HRW Wheat | Mar | 245.08 | 246.18 | 331.42 |
| HRS Wheat | Mar | 293.49 | 294.40 | 344.37 |
| Corn | Mar | 240.74 | 236.01 | 258.75 |
| Oats | Mar | 190.96 | 183.18 | 250.29 |
| W. Barley | Mar | 212.00 | 212.00 | 194.00 |
| Ethanol | Mar | 56.85 | 56.43 | 62.05 |

Oilseeds, Related & Others

| Commodity | Month | This week | Last week | Year ago |
|--------------|-------|-----------|-----------|----------|
| Soya Beans | Mar | 436.14 | 425.49 | 518.90 |
| Soya Meal | Mar | 343.82 | 332.14 | 418.45 |
| Soya Oil | Mar | 1,111.83 | 1,108.74 | 1,269.03 |
| Canola | Mar | 519.90 | 511.90 | 601.60 |
| Crude Oil | Mar | 98.23 | 99.05 | 89.10 |
| Dollar Index | Mar | 80.43 | 81.80 | 78.37 |
| DJIA | Mar | 12,610 | 12,325 | 11,822 |

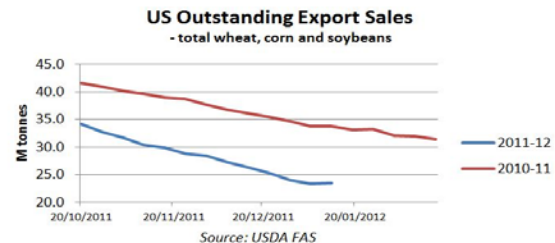
Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

COMMENT: Improved export demand turned the corn market early in the week with both daily news of sales and last week's report supporting gains for the week. SRW wheat benefitted from improved expectation for corn, but HRW and HRS were lower over the week with less optimistic prospects.

Soybean markets were lower on reports of improved conditions for developing South American crops, but a very positive USDA weekly export sales report resulted in prices finishing up on the week. Over half of reported sales were to China.

NEWS: The USDA's export sales last week were 584K, 760K and 991K tonnes, respectively, for wheat, maize and soybeans. Wheat and corn were at the high of the range of trade expectation, soybeans above the range. The first full week in January is often a good one for export sales, with buyers perhaps getting caught up after the Christmas break.

Outstanding sales for wheat, corn and soybeans at 4.5M, 10.5M and 8.6M tonnes lag year ago levels by 48, 13 and 34 percent respectively. Outstanding export sales, cumulative sales less exports, tend to decline after harvest and through the early winter months as buyers tend to commit increasingly on southern hemisphere sources. But the lower level of outstanding sales this year may reflect uncertainty about future economic conditions and demand.



OPINION: Futures contract trading on the InterContinental Exchange(ICE) in Canadian Milling [HRS] Wheat, Durum and Barley opens on Monday, or perhaps 6:00 pm Sunday evening as the hours are the same as those for Canola ... without fanfare. Not a word of this, either as advertising or a news article, was to be found in the Western Producer this week. The ICE website is almost as modest about the event.

It seems as though the ICE lacks confidence about the prospects for these markets. Certainly the Minneapolis durum market never amounted to much and it is some time since Canadian barley futures have traded very actively. The milling wheat contract's prospects are, however, probably more favourable. There is not much to choose between US and Canadian hard red springs and the ICE may not provide a significantly better trading platform than Minneapolis. But prices for this contract should reflect west coast values, currently a significant gap in market information. Hopefully the added volume of physical grain will also be enough to make the durum and barley futures markets viable.

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