

## Friday's Settlement Prices for Selected Commodities in US or Can. \$ / tonne, etc:

## Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	237.82	224.50	303.41
HRW Wheat	Mar	257.20	245.08	335.83
HRS Wheat	Mar	303.59	293.49	353.28
CWRS	Oct	265.00	n/a	n/a
Durum	Oct	268.50	n/a	n/a
Corn	Mar	252.65	240.74	253.53
Oats	Mar	193.72	190.96	249.97
Barley	Oct	181.00	n/a	n/a

## Oilseeds &amp; Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Mar	447.67	436.14	514.04
Soya Meal	Mar	355.18	343.82	415.59
Soya Oil	Mar	1,137.40	1,111.83	1,262.63
Canola	Mar	527.70	519.90	597.60
Crude Oil	Mar	99.55	98.23	89.30
Ethanol	Mar	58.70	56.85	61.16
Dollar Index	Mar	79.02	80.43	78.28
DJIA	Mar	12,612	12,610	11,775

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

**COMMENT:** Demand news has dominated the corn market with a widening Gulf basis suggesting there is something of a scramble for nearby supplies with farm deliveries not keeping up. For a second week USDA export sales report for the previous week was regarded as favourable with further substantial sales again being reported this week.

While wheat prices have tended to follow the corn market, its fundamentals are less supportive. The only positive wheat specific news centred on rumours concerning the potential for Russia to re-impose export controls.

Oilseed markets seemed to be torn between the negative influence of improved moisture condition in southern Brazil and support stemming from the need for US prices at a level which will discourage US farmers switching too many acres from soybeans to corn in the spring.

**NEWS:** Below the first week's Inter-Continental Exchange (ICE) trade, volume and open interest, for the new wheat, durum and barley contracts is summarized. It includes the total of all contract months traded - Oct and Dec 2012 for wheat and barley and Oct 2012, Dec 2012 and Mar 2013 for durum.

	Wheat		Durum		Barley	
	Vol	OI	Vol	OI	Vol	OI
23-Jan-12	3	1	0	0	0	0
24-Jan-12	12	10	20	20	60	50
25-Jan-12	10	18	13	31	20	70
26-Jan-12	11	23	15	37	0	70
27-Jan-12	0		15		45	

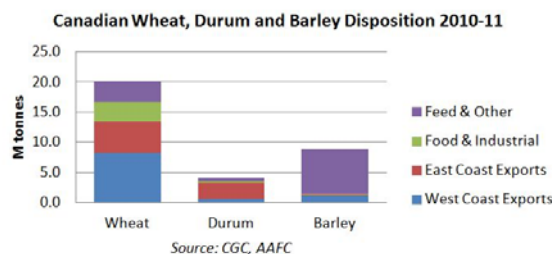
Wheat and durum contracts are for 100 tonnes, and barley contracts are for 20 tonnes.

**OPINION:** Futures trading in the new ICE contracts was modest in their first week. This was perhaps to be expected in view of challenges with previous Canadian futures contracts, that only new crop months were available for trading, and the meagre promotion of the market by the ICE.

New crop cash sales well in excess of this open interest seem to have been made by farmers, probably because prices offered relative to anticipated costs of production were attractive. Quite how buyers are managing the risk of these purchases is unclear.

Once farmers have access to these futures prices and sharpen their pencils, buyers will perhaps find it necessary to price against the ICE benchmark expectations and use them to manage their risk.

AB farmers will no doubt be looking for freight related premiums for west coast destined wheat. MB farmers will be looking for premiums for east coast destined durum for which European and North African markets are still dominant.



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