

Grain and Oilseed Markets

For the week ending Friday, 27-Jan-12

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

Grains					Oilseeds & Others					
Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago		
Mar	237.82	224.50	303.41	Soya Beans	Mar	447.67	436.14	514.04		
Mar	257.20	245.08	335.83	Soya Meal	Mar	355.18	343.82	415.59		
Mar	303.59	293.49	353.28	Soya Oil	Mar	1,137.40	1,111.83	1,262.63		
Oct	265.00	n/a	n/a	Canola	Mar	527.70	519.90	597.60		
Oct	268.50	n/a	n/a	Crude Oil	Mar	99.55	98.23	89.30		
Mar	252.65	240.74	253.53	Ethanol	Mar	58.70	56.85	61.16		
Mar	193.72	190.96	249.97	Dollar Index	Mar	79.02	80.43	78.28		
Oct	181.00	n/a	n/a	DJIA	Mar	12,612	12,610	11,775		
	Mar Mar Mar Oct Oct Mar Mar	MonthweekMar237.82Mar257.20Mar303.59Oct265.00Oct268.50Mar252.65Mar193.72	MonthweekweekMar237.82224.50Mar257.20245.08Mar303.59293.49Oct265.00n/aOct268.50n/aMar252.65240.74Mar193.72190.96	Month week week Year ago Mar 237.82 224.50 303.41 Mar 257.20 245.08 335.83 Mar 303.59 293.49 353.28 Oct 265.00 n/a n/a Oct 268.50 n/a n/a Mar 252.65 240.74 253.53 Mar 193.72 190.96 249.97	Month This week Last week Year ago Commodity Mar 237.82 224.50 303.41 Soya Beans Mar 257.20 245.08 335.83 Soya Meal Mar 303.59 293.49 353.28 Soya Oil Oct 265.00 n/a n/a Canola Oct 268.50 n/a n/a Crude Oil Mar 252.65 240.74 253.53 Ethanol Mar 193.72 190.96 249.97 Dollar Index	Month This week Last week Year ago Commodity Month Mar 237.82 224.50 303.41 Soya Beans Mar Mar 257.20 245.08 335.83 Soya Meal Mar Mar 303.59 293.49 353.28 Soya Oil Mar Oct 265.00 n/a n/a Canola Mar Oct 268.50 n/a n/a Crude Oil Mar Mar 252.65 240.74 253.53 Ethanol Mar Mar 193.72 190.96 249.97 Dollar Index Mar	Month Month This week Last week Year ago Commodity Month Month This week Mar 237.82 224.50 303.41 Soya Beans Mar 447.67 Mar 257.20 245.08 335.83 Soya Meal Mar 355.18 Mar 303.59 293.49 353.28 Soya Oil Mar 1,137.40 Oct 265.00 n/a n/a Canola Mar 527.70 Oct 268.50 n/a n/a Crude Oil Mar 99.55 Mar 252.65 240.74 253.53 Ethanol Mar 58.70 Mar 193.72 190.96 249.97 Dollar Index Mar 79.02	Month Morth This week Last week Year ago Commodity Month Month Week This week Last week Mar 237.82 224.50 303.41 Soya Beans Mar 447.67 436.14 Mar 257.20 245.08 335.83 Soya Meal Mar 355.18 343.82 Mar 303.59 293.49 353.28 Soya Oil Mar 1,137.40 1,111.83 Oct 265.00 n/a n/a Canola Mar 527.70 519.90 Oct 268.50 n/a n/a Crude Oil Mar 99.55 98.23 Mar 252.65 240.74 253.53 Ethanol Mar 58.70 56.85 Mar 193.72 190.96 249.97 Dollar Index Mar 79.02 80.43		

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

COMMENT: Demand news has dominate 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 improve 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.

	Whea	at	Duru	m	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	

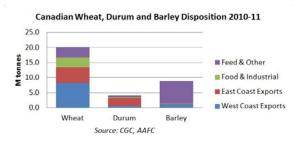
Wheat and durum contracts are for 100 tonnes, and barley contracts are for 20 tonnes.

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 b premiums for east coast destined durum for which European and North African markets are still dominant.



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While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.