

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

Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	245.26	237.82	313.69	Soya Beans	Mar	452.86	447.67	526.71
HRW Wheat	Mar	261.89	257.20	346.40	Soya Meal	Mar	362.23	355.18	422.42
HRS Wheat	Mar	308.09	303.59	363.21	Soya Oil	Mar	1,138.73	1,137.40	1,299.89
CWRS	Oct	264.50	265.00	n/a	Canola	Mar	525.50	527.70	609.40
Durum	Oct	270.00	268.50	n/a	Crude Oil	Mar	97.55	99.55	88.73
Corn	Mar	253.73	252.65	267.02	Ethanol	Mar	57.40	58.70	63.74
Oats	Mar	203.77	193.72	269.42	Dollar Index	Mar	79.07	79.02	78.16
Barley	Oct	180.50	181.00	n/a	DJIA	Mar	12,806	12,612	12,035

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

**COMMENT:** Uncertainty as to Black Sea region supplies, both current and future, were a concern early in the week. But denial over plans for export quotas and realization that the winter wheat crop could survive a Russian winter reduced those concerns later. South American crop prospects returned to the headlines even though it has rained over much of the implicated crop. The Euro zone situation appears at least for the moment to have faded as an influence. US famers' reluctance to sell corn is still seen as a supportive and the relationship between corn and soybean prices an influence in the context of prospective planting of these two crops which is now only about 10 weeks away.

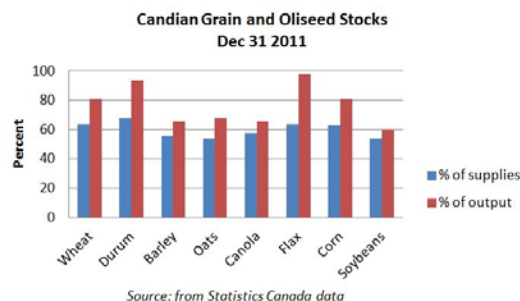
**NEWS:** Statistics Canada reports December 31 stocks, on farm and commercial, of most Canadian grains and oilseeds are lower than a year earlier. Barley, oats, canola, flax and corn stocks were, respectively, 11, 14, 2, 21 and 4 percent lower. Stocks of durum, wheat and soybeans were up marginally, 2 and 12 percent, respectively. With the exception of oats, stocks were above trade expectations.

These Dec 31 stocks provide the first indication of rates of usage - including on farm, and thus market prospects for the balance of the year.

They confirm that supplies of barley, oats,

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canola and soybeans are relatively tight. Those for the wheats and corn are less so, although in an historic context stocks of none of them are really burdensome. The possible exception to this is flaxseed where demand prospects remain clouded until the European Union sorts out its GM regulations. This is in marked contrast to canola where this technology has provided an abundance of opportunity on both the supply and demand sides of the market.



**OPINION:** Trading in the new Canadian futures contracts has at best been erratic and seemingly stimulated by price volatility in US markets. There was no trade in two days this week. But open interest has increased when there has been trade. Perhaps a slow start was to be expected in view of the fact that only post harvest contracts are available. One wonders why a late old crop contract was not provided to facilitate pre-harvest new crop year trade.

David Walker, Edmonton, AB, CA