

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:										30-Mar-12
Grains					Oilseeds & Others					
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	May	242.78	240.39	279.06	SoyBeans	May	515.51	495.85	510.55	
HRW Wheat	May	256.28	255.18	333.44	Soya Meal	May	428.48	411.18	396.85	
HRS Wheat	May	307.72	300.28	338.96	Soya Oil	May	1,214.79	1,209.94	1,293.28	
CWRS	Oct	270.00	259.60	n/a	Canola	May	622.50	590.10	590.90	
Durum	Oct	275.00	270.00	n/a	Crude Oil	May	103.13	106.89	108.10	
Corn	May	253.53	254.52	289.75	Ethanol	May	60.31	60.71	70.19	
Oats	May	221.27	215.92	243.16	Dollar Index	Jun	80.40	79.57	76.13	
Barley	Oct	185.00	185.00	n/a	DJIA	Jun	13,143	12,932	12,311	

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

COMMENT: The US corn market was dominated by selling in advance of Friday's prospective planting report. 2012 corn area exceeded average trade expectation but the bullish stocks report resulted in most of the week's earlier losses being recouped. Also weighing on prices were a very early start to US field work and a disappointing export sales report for the previous week. This was offset by a daily report of two large sales this week.

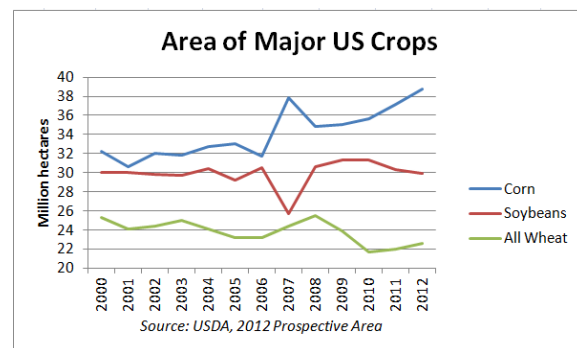
Wheat prices were lower over most of the week with positive winter crop weather and disappointing export sales, but losses were regained on Friday with a smaller than anticipated spring crop area which even stimulated trade on the ICE's Canadian milling wheat contract.

Soybeans held their value better than the other grains with the prospect of a smaller 2012 crop supportive of old crop contracts. Canola moved above \$600 per tonne.

NEWS: Looking backward, today's USDA March 1 stocks report indicated corn, wheat and oats stocks were down 8, 16 and 16 percent from year ago levels while soybeans stocks were up 10 percent. Of the four, corn stocks are most critical as supplies are very tight. They were towards the lower end of trade expectations indicating that further price rationing will be needed over the balance of the crop year. Wheat is abundant at this time and lower stock levels are mostly a function of exports. US oats stocks continue to tighten and have prompted an increase in imports from Canada where commercial stocks are well below year ago levels. US oat prices are rising to attract supplies from the western Prairies. The supply situation for US soybeans is tightening in the context of a smaller new crop, even as physical old crop supplies are above last year's very low levels.

Looking forward, today's USDA prospective planting report indicates farmers plan a corn area 4

percent above 2011 and a soybean area 1 percent below 2011. It was at the upper end of trade expectations for an anticipated swing towards corn. This might be discounted somewhat as soybean prices have improved relative to corn since the survey was made in early march. The major surprise was a 3 percent cut in spring wheat area which was below the range of trade expectations which were generally for an increase in area after last year's difficult planting season. This is probably explained in part by the prospect of increased corn area in the traditional spring wheat areas prompted by improved short season corn varieties, good subsoil moisture and the prospect of an early spring.



OPINION: US planting of corn continues to expand at the expense of most other crops and in response to increased fuel ethanol production. This trend, with the aid of drought tolerant and short season varieties, will continue into traditional wheat production areas, south and north of the 49th Parallel, if demand for fuel ethanol continues to expand.

David Walker, Edmonton, AB, CA