

| Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday: |       |           |           |          |                   |       |           |           |          | 20-Apr-12 |
|--|-------|-----------|-----------|----------|-------------------|-------|-----------|-----------|----------|-----------|
| Grains   |       |           |           |          | Oilseeds & Others |       |           |           |          |           |
| Commodity  | Month | This week | Last week | Year ago | Commodity         | Month | This week | Last week | Year ago |           |
| SRW Wheat  | May   | 226.25    | 229.92    | 293.76   | SoyBeans          | May   | 531.58    | 527.91    | 507.24   |           |
| HRW Wheat  | May   | 230.01    | 236.26    | 342.63   | Soya Meal         | May   | 432.12    | 436.31    | 395.52   |           |
| HRS Wheat  | May   | 290.64    | 302.85    | 349.61   | Soya Oil          | May   | 1,223.61  | 1,246.10  | 1,284.68 |           |
| CWRS   | Oct   | 258.00    | 266.00    | n/a      | Canola            | May   | 622.20    | 625.90    | 587.50   |           |
| Durum  | Oct   | 277.50    | 277.50    | n/a      | Crude Oil         | May   | 103.05    | 102.81    | 107.13   |           |
| Corn   | May   | 225.05    | 241.13    | 290.24   | Ethanol           | May   | 56.74     | 58.57     | 68.31    |           |
| Oats   | May   | 209.28    | 212.52    | 252.72   | Dollar Index      | Jun   | 79.32     | 80.07     | 74.28    |           |
| Barley   | Oct   | 186.50    | 186.50    | n/a      | DJIA              | Jun   | 12,979    | 12,850    | 12,432   |           |

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

**COMMENT:** More favourable weather for the planting of the 2012 corn crop pressured prices all week, but persistent yet unconfirmed rumours of Chinese purchases supported values. Cash markets were strong. Argentina cut its production estimate again.

With the USDA reporting improved winter wheat conditions and spring wheat seeding at a record pace markets were pressured from the supply side. European crops were reported to be doing better. US export sales last week were a bit below the range of expectations.

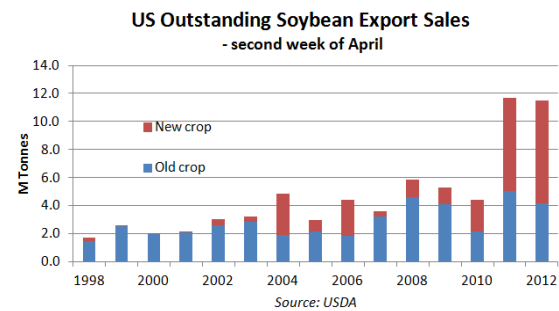
Last week's soybean export sales, much of it for new crop, were well above trade expectations which with continued current week sales enabled soybeans to resist pressure from outside markets.

**NEWS:** USDA reported, as of Sunday, April 15, 64 percent of winter wheat crop in good or excellent condition, compared to 36 percent last year, and a 50 percent five-year average. It was, towards the top end of a ten year range of 31 to 70 percent for such rating in mid April.

US spring planting continues well ahead of normal. For corn a record, for mid April, 17 percent planted was planted compared to a 5 percent average. A record 37 percent of the spring wheat and durum crops were in the ground, compared to the 9 percent five-year average.

In Western Canada rain and snow continues to delay the onset of widespread seeding. What looked like being an early season now appears more typical. On the positive side early winter

concerns about the potential for poor soil conditions for crop germination are now just a memory.



**OPINION:** The USDA's weekly Outstanding US export sales are cumulative sales for the crop year less cumulative export movements, i.e. unfilled commitments. Typically it might take four or five weeks to handle the logistics and get an ocean vessel loaded after making a purchase. Hence when supplies are abundant outstanding sales run at about 10 percent of crop year exports.

Currently and a year ago they have been about a third of anticipated exports and significantly above previous levels, even though supplies were extremely tight in 2010 which might have been expected to panic buyers into early purchases. The difference is, of course, Chinese interest, much of it for new crop.

While Canadian canola exporters are not required to report their sales, it is probable that their experience is similar to that of their US soybean counterparts. Hence, the market is not fazed by the prospect of a record canola area.

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