

## Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:

11-May-12

## Grains

Commodity	Month	This week	Last week	Year ago
SRW				
Wheat	Jul	219.36	223.95	267.31
HRW				
Wheat	Jul	224.13	230.38	320.40
HRS Wheat	Jul	266.85	273.37	330.78
CWRS	Oct	242.50	248.00	n/a
Durum	Oct	275.60	276.10	n/a
Corn	Jul	213.48	227.90	268.49
Oats	Jul	215.28	220.46	223.38
Barley	Oct	184.00	184.00	n/a

## Oilseeds &amp; Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Jul	516.61	543.15	488.50
Soya Meal	Jul	450.20	476.88	380.75
Soya Oil	Jul	1,151.74	1,182.82	1,237.72
Canola	Jul	608.10	621.80	554.80
Crude Oil(WTI)	Jul	95.90	98.89	99.65
Ethanol	Jul	55.85	58.65	66.15
Dollar Index	Jun	80.41	79.60	75.97
DJIA	Jun	12,813	12,886	12,555

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

**COMMENT:** The implication of the USDA's first monthly supply and demand (S&D) forecasts were over shadowed by outside market developments including weakening of economic data from China and some election results in Europe. For corn the USDA S&D's quantified the implication of the excellent planting conditions this spring. The report of a 300,000 tonne export sale on Friday was supportive.

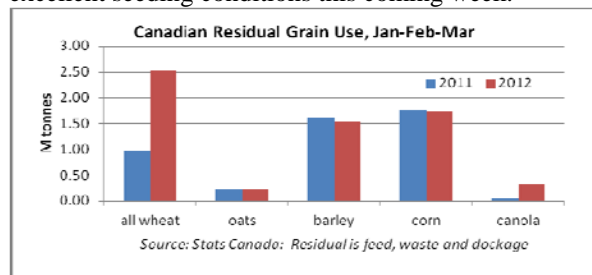
For wheat the market impact of Thursday's USDA reports were viewed as being mixed, last week's export sales were about as expected, but outside influences prevailed in pushing prices lower.

For soybeans the USDA's report was view as being positive as was last week's export sales reports but again the implication of other development prevailed. A five-month upward price trend which has seen 25% added to values appears to have been broken.

**NEWS:** The USDA first survey based wheat production estimate placed all wheat output at 61.1Mt, up 12% from 2011 with improved HRW yields in the southern Great Plains and spring wheat harvests also expected to be improved on last year. In its first monthly 2012-13 S&D's projections for wheat the USDA forecast a decline in ending stocks with improved exports and domestic consumption offsetting the increase in output. World wheat production is expected to decline from last year's above trend level but at the same time feed use is expect to be down from 2011-12 levels which had been raised without explanation this month. Ending stocks are expected to continue to decline. For this year US corn production was placed at a record 375.9Mt, 12% above last year with the trend yields forecast being raised by about 5% on account of the exceptionally early planting and crop emergence. Feed use is expected to increase but

carryout will more than double to 47.8Mt. Also the USDA raised its ending stocks for the current year with the expectation that some of a very early crop will be in store before the end of the crop year. Global coarse grain production is projected up 6% with a sixth successive record annual output of corn. For soybeans the US sees improved yields from 2011 offsetting a smaller planted area. Exports are forecast to increase as a result of poor South American crops and 2013 carryout to be lower.

This week's Stats Canada March 31 grain and oilseeds stocks report placed stocks generally below expectation indicating increased, in some cases much increased, use over the winter months. Drier weather is forecast across the Prairies with the expectation for excellent seeding conditions this coming week.



**OPINION:** The economic difference between the Euro zone and China is striking. That the politics of one relatively small and mature country, Greece, is seen as being so threatening to the global economy is odd. Or is it that the global economy's dependence on one very large and growing economy is under stated?

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