

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

25-May-12

Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	249.85	255.46	301.20
HRW Wheat	Jul	257.20	259.04	346.49
HRS Wheat	Jul	286.60	291.01	388.83
CWRS	Oct	262.70	245.00	n/a
Durum	Oct	275.60	275.60	n/a
Corn	Jul	212.56	233.50	298.61
Oats	Jul	198.42	220.46	248.18
Barley	Oct	182.00	184.00	n/a

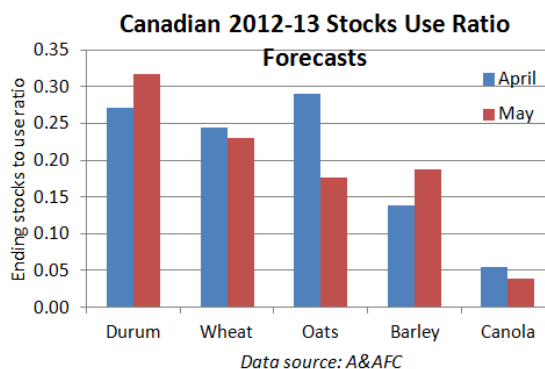
Oilseeds & Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Jul	507.79	516.24	506.69
Soya Meal	Jul	451.19	460.67	391.55
Soya Oil	Jul	1,105.00	1,153.50	1,291.95
Canola	Jul	612.20	613.21	599.70
Crude Oil(WTI)	Jul	90.87	91.78	100.59
Ethanol	Jul	55.37	58.75	70.32
Dollar Index	Jun	82.53	81.82	74.96
DJIA	Jun	12,441	12,371	12,440

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

COMMENT: The weather was the dominant issue for markets this week. Still generally favourable US corn crop development together with at best uncertain economic prospects for Europe weighed on prices, with less than uniformly favourable Corn Belt weather beginning to dint prospects and support values. Last week's export sales were disappointing. In contrast for wheat weather has been supportive as crop conditions in the Great Plains continue to deteriorate. Against this weather conditions in parts of Europe has been more positive for crops. The International Grains Council lowered its global wheat crop and ending stock forecasts. For soybeans, the same weather and economic concerns as for corn were apparent with more emphasis on the latter. Last week's export sales were about as expected.

NEWS: A&AFC revised its Canadian supply and disposition forecasts on Thursday reflecting seeding intention, March 31 stocks data and other market developments. The bottom lines to the changes are reflected in stocks use ratios. For durum an increase in output is not expected to be matched by increased exports. For wheat changes were not material and basically unchanged from this year. For oats the big adjustment was a cut in next year's ending stocks projection by over 40 percent resulting in a much tighter supply situation than anticipated a month ago. For barley forecasts for the ratio has risen with increased output and reduced domestic use forecasts. For canola use will again be limited by supply with reduced output forecast resulting in a reduction in the ratio to this year's level.



Provincial crop reports indicated seeding progress: for MB as of May 21 - 95% complete except 70% in the southwest compared to 10 to 70% depending on region in 2011; for SK as of May 21 - 64% complete overall compared to 44% last year; and; for AB as of May 17 - all crops 55%, compared to 57% in 2011. Probably overall close to 80% of the crop was in the ground when mid week rain delayed completion for some farmers but was welcomed by most.

OPINION: Crop Reporting can become very political when disaster strikes a crop. Hence, as provincial governments tend to be on the front line in such situations, they have held on to crop reporting very tightly and the information collected is also influenced by this reality. From a market information prospective this had lead to some challenges as evident from comparisons of Canadian with the US systems. We have fragmented, often slow and poorly summarized processes which would benefit from coordination and appropriate sponsorship.

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