

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

6-Jul-12

Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	296.24	278.24	239.29
HRW Wheat	Sep	297.07	277.78	267.21
HRS Wheat	Sep	332.71	310.30	300.19
CWRS	Oct	297.50	279.00	n/a
Durum	Oct	306.50	275.50	n/a
Corn	Sep	255.46	230.93	252.94
Oats	Sep	234.57	219.17	226.62
Barley	Oct	226.00	201.00	n/a

Oilseeds & Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Sep	562.90	532.87	494.19
Soya Meal	Sep	500.91	467.40	383.95
Soya Oil	Sep	1,182.60	1,159.45	1,246.76
Canola	Nov	626.30	596.70	563.40
Crude Oil(WTI)	Sep	86.37	85.18	99.14
Ethanol	Sep	63.72	58.62	68.34
Dollar Index	Sep	83.56	81.79	75.13
DJIA	Sep	12,727	12,825	12,571

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

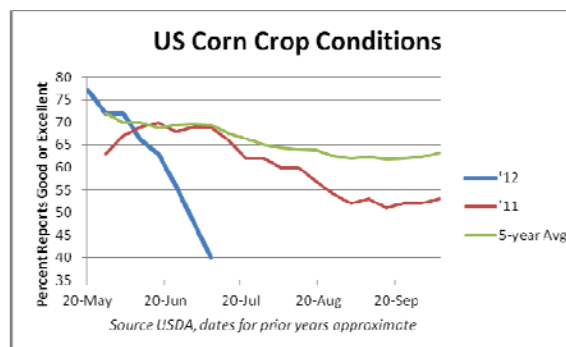
positive if this weather continues for the next week as is widely forecast.

COMMENT: The weather market intensified over the week as the heat wave hit general media headlines. In such situations there is often like purpose to commenting on market developments.

NEWS: The USDA reports on the condition of the US corn crop were only 40 percent good or excellent as of July 8, down 8 percentage points from the previous week and 32 points from early June and the lowest level since August 2002. Half the crop was reported as silking compared with a 19 percent 5-year average.

For soybeans 40 percent of the crop reports were also for good or excellent conditions, down 5 points from last week, 25 points from early June, and the lowest level since September 2003. Forty four percent of the crop has reached the flowering phase compared to a 25 percent 5-year average. Spring wheat conditions at 66 percent good and excellent were down 5 percent from last week and 12 points from early June. They are 7 points below as a 5- year average. Winter wheat harvesting is 75 percent complete and in the wrap up stage almost everywhere except the Pacific North West where it has yet to start.

Some fine weather, 5c or more above average, across the Canadian Prairies is generally reported to be hastening crop development, but reports may be less



OPINION: In weather markets the question always arises as to how far prices can move and what is likely to happen when the weather reports and forecasts causing the move in prices return to “normal.” For US corn with silking beyond the half way mark, serious yield damage has surely been done. Likely some fall back in prices will eventually occur if for no other reason than the impact of prices on consumption has likely yet to be fully factored in. Beans have yet to enter their critical podding phase and adequate moisture could still result in recovery. Wheat has been something of a follower and price destiny is likely to be resolved by development beyond US shores. Canola may soon start to suffer at the southern extremities of its production region.

David Walker, Edmonton, AB, CA
(delayed by foreseen circumstances)