

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

20-Jul-12

## Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	346.58	311.49	254.35
HRW Wheat	Sep	345.75	312.68	286.60
HRS Wheat	Sep	379.00	348.88	306.80
CWRS	Oct	334.50	302.50	n/a
Durum	Oct	339.00	320.50	n/a
Corn	Sep	303.04	272.08	271.64
Oats	Sep	250.94	241.54	228.89
Barley	Oct	264.50	260.00	n/a

## Oilseeds &amp; Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Sep	629.50	576.68	507.42
Soya Meal	Sep	582.37	513.25	401.26
Soya Oil	Sep	1,197.81	1,188.55	1,251.83
Canola	Nov	645.70	623.90	560.90
Crude Oil(WTI)	Sep	91.76	87.67	99.87
Ethanol	Sep	70.32	66.57	73.81
Dollar Index	Sep	83.57	83.47	75.43
DJIA	Sep	12,674	12,707	12,620

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

**COMMENT:** All nearby grain futures contracts closed the week at 12-month highs and some traded at all time highs during the week. Adverse US Mid West weather conditions and forecasts, which are being described in increasingly colourful terms, completely eclipsed demand related issues over Europe which pushed the dollar to 12-month highs. It was also a disappointing week for US export sales. For wheat deteriorating conditions in the Black Sea region were also supportive. Improved moisture in the US Southeast and Delta regions have improved soybean prospects there, but the soybean crop is only now entering its yield critical podding phase of development.

**NEWS:** USDA's weekly crop progress report for July 15 indicated a further 9 points slip in the good to excellent rating for corn and 6 for soybeans. Crop ratings are beyond the range of any recent experience and hence harvest outcomes very difficult to assess. Spring wheat conditions slipped one point to 65 percent good to excellent compared to a 73 percent average but still well within the range of conditions seen over the last ten years in mid July and about two weeks ahead of harvest.

In contrast, Western Canadian provincial crop reports indicate favourable conditions.

For Manitoba as of July 16: The condition of most crop types is generally rated as good. The continuing hot and humid weather conditions are advancing crops quickly. Precipitation would be welcomed in many areas.

For Saskatchewan as of July 9: Eighty per cent of fall cereals, 62 per cent of spring cereals, 57 per cent of oilseeds and 70 per cent of pulses were at their normal stage of development. Most crops are in fair to excellent condition.

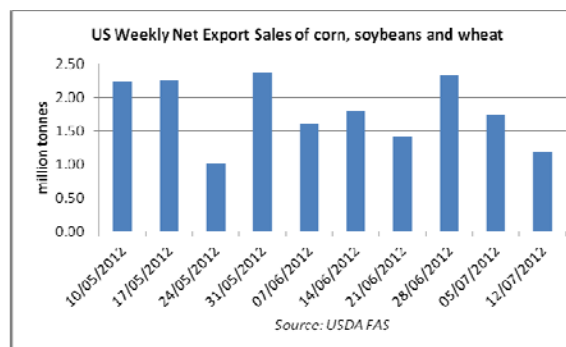
For Alberta, as of July 10: The excellent weather across the province during the past two weeks has

While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.

advanced crop development. Generally, the condition of most crops is rated as good to excellent. Overall, soil moisture reserves are fair to excellent. Conditions being experienced by Eastern Canada farmers appear more akin to those of their neighbours in the US Corn Belt.

Revisions by Agriculture Canada's to its July supply and disposition projections indicate tighter supply situations for the 2012-13 crop year and lower ending stocks. Increased seeded area and production in most instances are offset by reduced beginning stocks. The most significant exception is for canola where supplies have been revised up, but exports of seed and products are expected to absorb the extra supply.

**OPINION:** This week's US weekly export sales report was generally regarded as disappointing, which in view of the run up in prices over the last five weeks should not have come as a surprise. Perhaps we should be surprised that sales have held up as well as they have. With a credit probably an issue for many buyers, advancing or differing physical commitments in a speculative manner may be declining consideration.



David Walker, Edmonton, AB, CA