

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

27-Jul-12

Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	329.95	346.58	249.12
HRW Wheat	Sep	332.89	345.75	286.69
HRS Wheat	Sep	357.14	379.00	304.05
CWRS	Oct	329.50	334.50	n/a
Durum	Oct	330.40	339.00	n/a
Corn	Sep	293.39	303.04	272.82
Oats	Sep	244.45	250.94	214.95
Barley	Oct	264.50	264.50	n/a

Oilseeds & Others

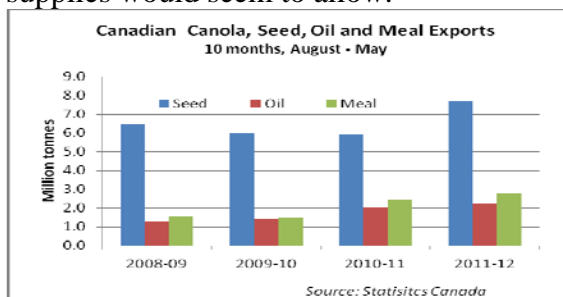
Commodity	Month	This week	Last week	Year ago
Soybeans	Sep	598.09	629.50	489.42
Soya Meal	Sep	553.49	582.37	382.41
Soya Oil	Sep	1,151.51	1,197.81	1,212.59
Canola	Nov	607.90	645.70	555.50
Crude Oil(WTI)	Sep	90.19	91.76	86.88
Ethanol	Sep	67.07	70.32	72.25
Dollar Index	Sep	82.74	83.57	74.68
DJIA	Sep	13,030	12,674	11,440

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

COMMENT: Another week where weather conditions and crop development dominated markets. Even reports of “negative” weekly US export sales of corn – China cancelled some, seem to have only had a momentary impact. But by week’s end most prices were lower as weather forecasts were more favourable. The condition of Black Sea region crops continues to support wheat values. Last week’s US export soybean sales were supportive, offsetting the expectation that US soybean crop may have received enough moisture to hold conditions for the moment.

NEWS: The percent of good and excellent corn crop condition ratings in the USDA crop progress report for July 22 fell a further 5 points to 26. Soybean good and excellent ratings dropped a more modest 3 points to 31percent. These ratings are beyond the range of recent, if not all time, experience. The yield critical processes of silking for corn and podding for soybeans were assessed to be 86 and 36 percent complete. The damage has been done to the corn crop but there still a chance for soybeans. Spring wheat conditions were reported 60 percent good and excellent compared to 74 last year, a 73 5-year average and comparable to 2008. Harvest has started.

Canadian exports of canola seed, oil and meal for the 10 months of the 2011-12 crop year to May totaled 7.69M, 2.26M and 2.81M tonnes, up 31%, 11% and 13%, respectively. In contrast to last year, growth in canola seed exports have lead those of the product, probably reflecting recently expanded domestic crushing facilities have reached capacity. The bulk of the growth in canola exports were to China where phytosanitary blackleg issues restricting imports have been resolved to the degree necessary to permit as much trade as supplies would seem to allow.



OPINION: While it is natural to attempt to find a measure of the impact of the US drought from past experience, it is probably not productive. If it is possible to find a year with as adverse conditions as the current one, the comparison is unlikely to be relevant as technology, particularly plant breeding, has added so much to potential.

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