

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

3-Aug-12

Grains

| Commodity | Month | This week | Last week | Year ago |
|-----------|-------|-----------|-----------|----------|
| SRW Wheat | Sep | 327.47 | 329.95 | 249.12 |
| HRW Wheat | Sep | 329.22 | 332.89 | 286.69 |
| HRS Wheat | Sep | 350.35 | 357.14 | 304.05 |
| CWRS | Oct | 301.00 | 327.50 | n/a |
| Durum | Oct | 311.50 | 330.40 | n/a |
| Corn | Sep | 297.62 | 293.39 | 272.82 |
| Oats | Sep | 245.10 | 244.45 | 214.95 |
| Barley | Oct | 264.50 | 264.50 | n/a |

Oilseeds & Others

| Commodity | Month | This week | Last week | Year ago |
|----------------|-------|-----------|-----------|----------|
| Soybeans | Sep | 601.03 | 598.09 | 489.42 |
| Soya Meal | Sep | 562.09 | 553.49 | 382.41 |
| Soya Oil | Sep | 1,152.62 | 1,151.51 | 1,212.59 |
| Canola | Nov | 619.00 | 607.90 | 555.50 |
| Crude Oil(WTI) | Sep | 91.23 | 90.19 | 86.88 |
| Ethanol | Sep | 68.39 | 67.07 | 72.25 |
| Dollar Index | Sep | 82.46 | 82.74 | 74.68 |
| DJIA | Sep | 13,047 | 13,030 | 11,440 |

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

COMMENT: US corn futures traded at an all time high again on Monday but were lower thereafter only staying on the plus side with higher prices on Friday. Weather forecasts remain less than favourable for crop development but are regarded as less critical with crop pollination now past. Private forecasters have to this point been consistently lowering their yield estimates. Wheat prices were generally lower with showers stabilizing spring wheat crop conditions in Russia but with conflicting reports of production prospects. Weather forecasts were slightly improved for the US soybean crop now generally entering a critical two-week podding phase. But prices recuperated on Friday with support from outside markets.

NEWS: Prairie provincial crop reports suggest generally favourable crop development.

Manitoba, as of July 30: Harvesting of the earliest spring wheat and barley has started and preliminary yields are average to above average. Swathing of canola and oat continues across Manitoba, as does the winter wheat harvest. In many areas rain would be welcome for late maturing crops.

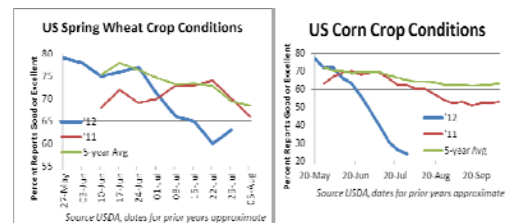
Saskatchewan, as of July 23: Thunderstorms brought varying amounts of moisture. Crops are advancing quickly with warm and dry weather with the majority of them are in good condition. Cropland top soil moisture is 13% surplus, 72% adequate, 14% short and one percent very short.

Alberta, as of July 24: Sporadic light and heavy showers have maintained high surface and sub soil moisture levels, rated at 84% and 90% good or excellent, respectively. Crop ratings remain exceptional with 85% to 95% rated in good or excellent condition. Crop development is normal due

to the warmer weather with spring crops in the early to mid pollination stage. Winter cereals are in the late milk to early dough stage. Canola is 61% podded with field peas at 76%. Initial projections indicate the potential for above average yields in all regions.

The **USDA** crop progress report for July 29 listed winter wheat harvesting 85% complete, and now active in the Pacific Northwest. Their spring wheat harvest at 28% complete is well ahead of the 5-year average. Its condition rated at 63% good or excellent was 3 points improved on a week ago but 6 points below a 5-year average.

Corn and soybeans conditions were both down 4 points on the previous week which due to the low level of good and excellent reports was a large slip in relative terms and another disappointment.



OPINION: Next Friday, August 10 the **USDA** publishes its first 2012 *objective* forecast of spring seeded crops involving farmer surveys and field measurements. While these will almost certainly be subject to revisions later in the season, they are likely to be far more accurate than what has been published up to now. The hope is that recently adopted crop technology will provide more resilience to adverse conditions than it has to date been given credit for.

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