

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

10-Aug-12

Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	325.27	327.47	258.12
HRW Wheat	Sep	328.12	329.22	292.66
HRS Wheat	Sep	343.73	350.35	316.45
CWRS	Oct	303.80	301.00	n/a
Durum	Oct	309.00	311.50	n/a
Corn	Sep	293.94	297.62	276.07
Oats	Sep	251.75	245.10	223.70
Barley	Oct	264.50	264.50	n/a

Oilseeds & Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Sep	614.80	601.03	487.86
Soya Meal	Sep	574.43	562.09	382.63
Soya Oil	Sep	1,185.69	1,152.62	1,194.07
Canola	Nov	617.10	619.00	550.20
Crude Oil(WTI)	Sep	93.32	91.23	85.38
Ethanol	Sep	68.92	68.39	73.57
Dollar Index	Sep	82.63	82.46	74.70
DJIA	Sep	13,133	13,047	11,247

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

COMMENT: At the opening of trade on Friday following the publication of the USDA's production report, US corn futures spike very briefly, again setting record prices, but they then drifted down to finish lower on the week. The report was viewed as a bullish for corn but was not enough so to push prices higher at a time when concern is increasingly focused on the eventual impact of prices on demand. Wheat was also lower as the USDA's assessment of Russian crop losses was less than trade ideas. Soybean prices were, however, buoyed by the announcement of a 290,000 tonne sale to China.

NEWS: The Canadian Grain Commission reported cumulative 52week, to July 31, crop year bulk exports (not including container and direct truck shipments) of 30.0M tonnes, up 3% on last year. Wheat, durum, oats and canola, exports of 13.4M, 3.6M, 1.2M and 8.6M tonnes, were respectively, up 8, 10, 21 and 23%. Barley, flax and pea exports were 1.2M, 0.26M, and 1.6M, down 13, 6, 1 and 48%. Corn exports were not significant.

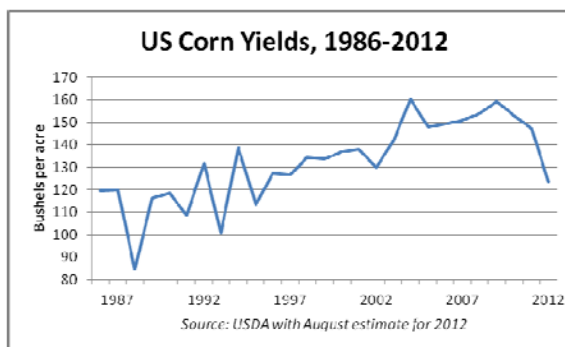
The much anticipated first USDA survey of 2012 production estimated corn and soybean output at 273.8M and 73.3M tonnes, down 13 and 12% from 2011. The corn estimate was below the average, but within the range, of trade expectations, with yield below but harvested area above the average of those expectations. Soybeans were at the bottom of the range of trade expectations. The second 2012 wheat estimate was raised 2% to 61.7M tonnes with spring wheat accounting for most of the increase.

USDA cut forecasts of 2012-13 US corn use for feed, industrial, export and ending stocks by 15, 7, 19 and 45%, respectively, to balance a 15% cut in supply. For soybeans domestic crush, export and end stock use forecasts were cut by 6, 19 and 12% to balance a

12% cut in supplies. Revisions to wheat use were modest with feed use and ending stocks raised slightly.

Revisions to global wheat supply and use projections were dominated by downward revision to Russian production and substitution of feeding wheat for corn with ending stocks revised down by 3%. The cut in US corn output was the main adjustment to global coarse grain forecasts with ending stock revised down by 8% to the lowest level since 2008.

OPINION: There is some debate as to how far back one has to go to match 2012 US Corn Belt high temperature and low rainfall records, but sometime in the 1930's appear likely. There is no debate as to how far back one has to go with yield records – 1985. This year's yields do not appear as exceptional as the weather. What will prove to be just as exceptional, however, will be competition between feeders, fuel ethanol users and export interests for available supplies.



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