

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

24-Aug-12

Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	318.75	321.13	280.07
HRW Wheat	Sep	322.70	324.72	318.20
HRS Wheat	Sep	337.49	325.36	351.36
CWRS	Oct	294.20	293.00	n/a
Durum	Oct	301.10	299.20	n/a
Corn	Sep	294.77	293.94	296.25
Oats	Sep	251.911	248.83	245.75
Barley	Oct	264.50	264.50	n/a

Oilseeds & Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Sep	638.41	614.71	519.82
Soya Meal	Sep	587.99	575.98	414.48
Soya Oil	Sep	1,239.92	1,170.92	1,247.86
Canola	Nov	633.60	607.40	567.50
Crude Oil(WTI)	Sep	96.68	96.08	84.12
Ethanol	Sep	68.71	68.42	77.38
Dollar Index	Sep	81.61	82.66	73.87
DJIA	Sep	13,160	13,242	11,244

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

COMMENT: Corn finished lower pressured by early new US crop supplies and weak export demand. Last week's US export sales were in line with expectation. A current US crop tour suggested yields below current USDA estimates.

Winter wheat prices were higher with a positive slant from recent eastern European reports. US export sales last week were reported as being in line with expectation. Recent rain has replenished top soil moisture for planting hard red winter wheat over much of the southern Great Plains.

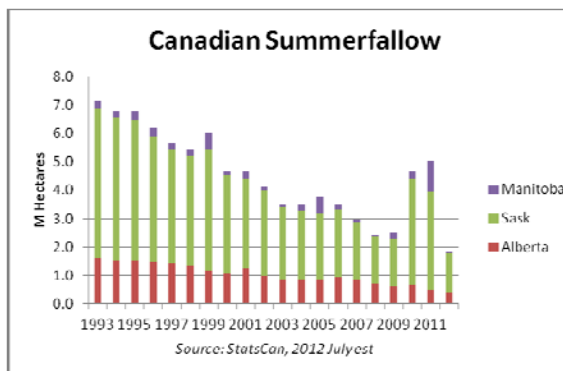
Oilseed complex prices continued to advance with nearby contracts at 12-month highs at the end of the week. US export sales for last week were in line with expectations but sales this week supported prices as did crop tour yield reports below the current USDA estimates.

NEWS: Statistics Canada preliminarily estimated, as of late July/early August, production of Canadian principal crops as follows:

	2012 Production M tonnes	2012 of 2011 percent	2012 of '05-'09 avg. percent
All wheat	27,013	107	106
Spring	19,058	106	109
Durum	4,273	102	90
Winter	3,682	120	118
Barley	9,508	123	86
Oats	2,994	100	75
Canola	15,410	109	149
Dry field peas	2,981	141	96
Corn for grain	11,703	109	116
Soybeans	4,405	104	136
Flaxseed	547	149	61
Rye	312	160	98

That production of all major crops have increased from a year ago does not reflect exceptional crop

conditions as much as a recovery from the abnormally high "wet weather enforced" following last year and indeed the year before, see chart. Thus while barley, peas, flax and rye production show big increases over 2011, they are relatively modest crops in the context of the five years prior to 2010. The big gainers have, of course, been canola and soybeans, the former at the expense of feed grains and the latter being of increasing significance in Manitoba..



OPINION: The announcement by the CWB to offer pool pricing for, and indeed the handling of, canola, although generally expected, will prove interesting. In contrast to wheat and barley farmers have experience in marketing canola and by and large are probably well satisfied with the results in recent years. Hence, most are unlikely to see benefits from delegating their canola marketing to the CWB. For wheat and barley, and particularly the former, farm level expertise is limited and hence there may be a reluctance to chance the whole crop to the open market at least in the initial years of marketing choice.

David Walker, Edmonton, AB, CA