

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

5-Oct-12

## Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	315.07	331.61	223.21
HRW Wheat	Dec	322.88	340.79	251.51
HRS Wheat	Dec	337.85	352.18	337.85
CWRS	Oct	295.00	305.70	n/a
Durum	Oct	313.50	316.40	n/a
Corn	Dec	274.84	277.87	236.21
Oats	Dec	238.13	240.24	211.55
Barley	Dec	250.00	255.30	n/a

## Oilseeds &amp; Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Nov	570.07	588.26	426.59
Soya Meal	Dec	519.43	536.73	335.45
Soya Oil	Dec	1,128.59	1,159.67	1,087.36
Canola	Nov	609.50	597.70	518.60
Crude Oil(WTI)	Dec	90.18	92.43	83.17
Ethanol	Dec	63.16	62.03	65.73
Dollar Index	Dec	79.51	80.50	79.16
DJIA	Dec	13,519	13,350	11,070

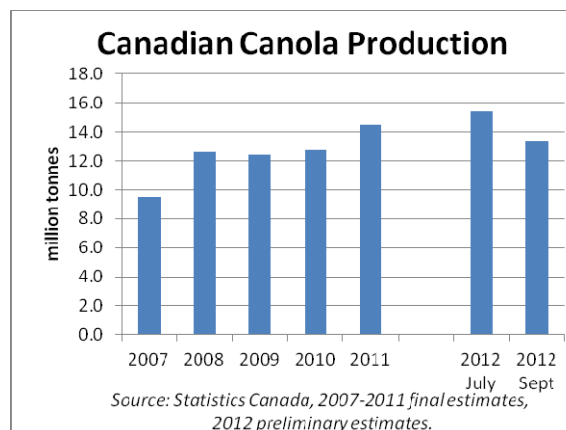
Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

**COMMENT:** Corn prices slip slightly this but are still above levels a week earlier. The USDA is expected to raise output estimates next week and even after last week's stocks surprise demand continues to be a concern with US prices not seen as being competitive. Wheat has traded in a rather wide and gradual downward trend for several weeks. As with corn demand is an issue and conditions for the 2013 US winter wheat crop are improving. But corn values still appear to be supporting wheat prices. Last week's export sales were described as relentless and were supplemented by more major sales to China this week. Cumulative US soybean export sales are at 82% of the USDA's crop year forecast, compared to a 5-year average of 43% for this statistic. Weighing on prices is the expectation of an increase in the USDA's soybean yield estimate next week.

**NEWS:** StatsCan's September crop production revisions to it July estimates, released on Thursday, included cuts in canola, barley, peas, soybeans, oats and spring wheat output of 13, 10, 8, 3, 2, 2 and 1 percent, respectively. The durum estimate was raised 3 percent. Canola output of 13.6M tonnes is now 8 percent below last year. Oats is 2 percent smaller but the other main crops are still larger than 2011. The major cause in the cut in canola output may be an exceptionally heavy infestation of Aster Yellows, a disease transmitted by leafhoppers which arrived on the Prairies from the US Midwest unusually early this year. Other crops are susceptible.

Wind damage to swaths after the StatsCan survey may result in further losses in AB but harvesting conditions have generally been favourable particularly in MB and SK. Generally fine weather has resulted in harvest reaching the wrap up stage almost everywhere, with low soil moisture reserves for 2013 emerging as a concern.

**OPINION:** Just when it seemed that the Prairie crops had escaped the impact of the adverse US Corn Belt weather, StatsCan's early September survey brought to light that yields particularly of canola were generally not as favourable as originally anticipated. This was in part anticipated but the rise in the canola market back above \$600 per tonne indicated it was not totally so. Interestingly the strength in canola seemed somewhat independent of US soybeans and oil prices.



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