

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday: 22-Feb-13									
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	262.71	272.73	236.63	Soybeans	Mar	536.91	523.41	465.72
HRW Wheat	Mar	275.48	285.59	253.34	Soya Meal	Mar	470.59	451.30	366.81
HRS Wheat	Mar	294.96	302.58	302.12	Soya Oil	Mar	1,110.07	1,138.07	1,177.31
CWRS	Oct	291.00	291.00	264.00	Canola	Mar	632.00	630.20	548.20
Durum	Oct	307.00	304.20	265.90	Crude Oil(WTI)	Mar	94.45	96.41	103.47
Corn	Mar	253.62	256.74	252.65	Ethanol	Mar	62.42	62.16	58.51
Oats	Mar	251.59	245.75	209.93	Dollar Index	Mar	81.57	80.58	79.44
Barley	Mar	241.50	241.50	182.40	DJIA	Mar	13,910	13,948	12,931

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

**COMMENT:** US corn markets continued to labour under the influence of poor export demand. Ethanol production data was somewhat positive and improved weather for the Argentinean corn crop and improving soil moisture in the US Corn Belt weighed on values.

The status of the US hard red winter wheat crop is probably improving as several weather systems have moved across the Great Plains with enough moisture to get crops moving out of germination in the spring but almost certainly not enough to sustain them to maturity. Export sales were quite positive with most international tenders being shared by the traditional exporters

For soybeans challenges with the early movement of the Brazilian crop and dry conditions in key growing regions of Argentina have supported prices. Net export sales were negative – cancellations exceeding new sales. Concerns were expressed about the fate of the Chinese winter rapeseed crop but temperatures did not appear to have slipped enough to create much damage.

**NEWS:** Agriculture and Agri-Food Canada revised its Supply and Disposition forecasts this week to reflected Stats Canada's Dec 31 stock data which provided an early indication of actual 2012-13 feed use. For **canola** a small cut was made in the feed category to leave ending stocks unchanged. Total domestic use is now forecast 10 percent below last year. For **oats**, facing an increasingly tight supply situation, implicit feed consumptions was rather illogically higher.

To accommodate this AAFC has lowered its export and ending stock forecasts. Stocks of **corn, flax, peas and lentils** were lower than expected resulting in some tightening of supplies. Those for **wheat, durum, barley and soybeans** were close to prior expectations.

The lead paper at USDA Outlook Forum this week anticipated a rebound for yields and record harvests of corn and soybeans following last year's drought but with lower prices by the fall. It was noted that while drought conditions had improved somewhat, there is no evidence of prevalence of successive droughts and corn and soybean yields are largely dependent on growing conditions particularly in July.

In terms of specifics the USDA sees area planted to wheat, corn and soybeans at 22.7, 39.1 and 31.4 M hectares, 100.5, 99.7 and 100.4 of a year ago, essentially unchanged. Production of wheat, corn and soybeans were placed at 57M, 369M and 93M tones, 93, 137 and 113 percent of last year assuming an average growing season in terms of weather.

**OPINION:** Our price reporting for the ICE milling wheat, durum and barley contracts are quietly, but not completely silently, being dropped with the switch from the March contract. If the ICE is not inclined to put much effort into killing these markets one would suppose that they will drift on meaninglessly for some time

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