

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					8-Mar-13				
Grains & Product					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	May	256.28	268.13	236.07	Soybeans	May	540.58	530.39	491.26
SRW Wheat	Dec	264.00	272.82	n/a	Soya Meal	May	479.52	473.24	399.82
HRW Wheat	May	269.33	275.57	251.32	Soya Oil	May	1,111.83	1,095.07	1,196.49
HRS Wheat	May	290.82	295.87	295.78	Canola	May	627.80	617.60	584.50
Corn	May	276.66	285.03	272.07	Canola	Nov	588.30	561.30	n/a
Corn	Dec	215.35	219.18	n/a	Crude Oil(WTI)	May	92.22	91.30	107.76
Ethanol	May	65.38	63.51	60.23	Dollar Index	Jun	83.01	82.56	80.48
Oats	May	246.24	246.24	186.42	DJIA	Jun	14,331	13,994	12,851

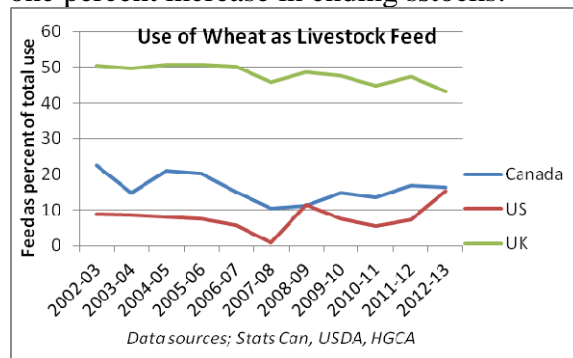
Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

COMMENT: With what was regarded as a mildly positive USDA supply and use report on Friday, US corn prices recovered some of the losses they suffered on Wednesday with wet weather forecast for much of corn belt and Great Plains. The weekly ethanol use report was basically neutral but Thursday's export sales report for the previous week weighed on prices. Wheat also suffered on Wednesday but did not have a boost from the USDA report on Friday. The export sales report was, however, positive.

Soybean prices were supported by the expectation that the USDA's Brazilian soybean crop estimate might be cut and continued challenges at Brazilian ports. Ultimately Friday's USDA disappointed and prices were down on the week.

NEWS: The most significant revision to the USDA's March 2011-12 domestic supply and use (S&Ds) forecasts published today was a widely anticipated cut in US corn exports of 1.3M tonnes which was partially offset by a further increase in non-ethanol corn processing. Ending stocks were raised by less than a million tonnes. The USDA sees an increase in domestic wheat feeding of 0.7M tonnes to 10.2M tonnes which is more than double last year but does little to correct the US corn and wheat balances. For soybeans a small increase in crush resulted in a small reduction in ending stocks. Revision of global projections focused on Southern Hemisphere production expectation. For wheat these adjustments were minimal and largely offsetting. Global

coarse grain production was increased by 2.1M tonnes mainly due to Brazil, but reduced beginning stocks and a mixed bag in terms of use resulted in a 2.1M tonne, three percent, increase in global ending stocks. For soybeans an upward revision of Brazilian crop was only partially offset by reduced prospects for Argentina. These adjustments carried through to a 0.5M tonne, one percent increase in ending stocks.



OPINION: US use of wheat for feeding has never been of much significance in an overall context. Such wheat feeding tends to occur in eastern US where more competitively priced soft red winter wheat predominate and during the period between the wheat and corn harvests. In Canada high levels of wheat feeding tend to follow challenging harvests although this may be changing as farmers seek improved yields. In Europe, north of areas where grain corn cannot be grown, wheat is a significant feed grain.

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