

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					5-Apr-13				
Grains & Product					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	May	256.83	252.70	236.17	Soybeans	May	500.35	517.07	526.90
SRW Wheat	Dec	266.39	262.07	n/a	Soya Meal	May	431.90	446.01	432.01
HRW Wheat	May	266.75	267.03	243.24	Soya Oil	May	1,076.56	1,104.78	1,248.74
HRS Wheat	May	289.35	285.03	310.85	Canola	May	611.20	625.50	621.60
Corn	May	247.63	273.71	277.66	Canola	Nov	548.70	554.50	n/a
Corn	Dec	210.62	212.00	n/a	Crude Oil(WTI)	May	92.85	97.15	103.11
Ethanol	May	63.85	64.27	60.34	Dollar Index	Jun	82.63	83.15	80.31
Oats	May	233.11	256.94	218.52	DJIA	Jun	14,440	14,497	12,986

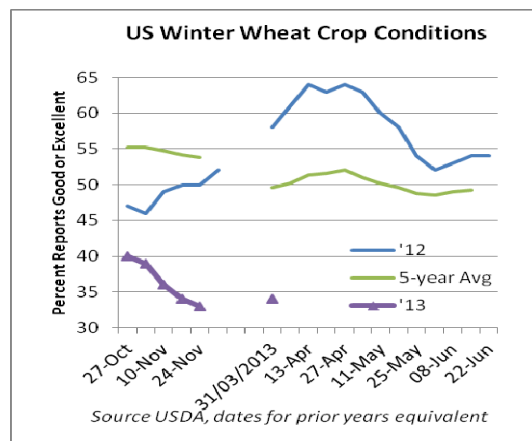
Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

COMMENT: US corn prices continued to be pressured by the implications of the previous week's stocks report, specifically a very sharp decline in feed consumption. Last week's export sales were, however, considered supportive. Against this imports of corn from Ontario and more critically a \$30-\$40 discount on Argentina exports pressured values. New crop prices were only slightly lower.

That improvement in soil moisture conditions for winter wheat was not reflected in improved crop assessment in the USDA's first 2013 crop progress report was supportive of values, as were unconfirmed rumours of significant Chinese business. Export sales for last week were, however, disappointing.

Soybean prices tended to slide with corn and are now not much above pre drought levels. Earlier concerns about continuing Chinese demand were reinforced by news of a new bird flu virus in China.

NEWS: In the USDA's first crop update of the 2013 season, only 34 percent of reports rated winter wheat conditions as good or excellent as of March 31. This compares with 58 percent last year, a 50 percent five-year average and 33 percent in the last report before winter. It is evident that improved soil moisture has yet to be reflected in crop conditions. Regional trends are difficult to discern at this early stage and conditions in Kansas the largest winter wheat producer conditions appear about unchanged. Almost all observer note that further above average moisture is needed to restore prospects in the hard red winter wheat areas.



OPINION: The USDA's March 1 corn stocks report last week has major implication for US feed and residual use. The USDA's quarterly supply and use tables for corn for the first quarter of the crop year, to November 30, indicated an unexpected 13 percent increase in feed use from the previous year, but it was virtually unchanged from the two years prior. As most other uses are monitored weekly and factored into trade expectations, with the March 1 stocks being almost 10M tonnes above average trade expectation, feed use might be expected to be down by an equivalent amount. That would be about 25 percent of last year's second quarter. It is as improbable as the first quarter increase even factoring substitute feed use and built in delays in feed use trends – livestock feeding cannot be turned off with the flick of a switch. Thus, second quarter corn supply and use tables to be published in the USDA's Feed Outlook next Friday will make interesting reading.

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