

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					12-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	262.62	256.83	229.92	Soybeans	May	519.18	500.35	527.91
SRW Wheat	Dec	271.44	266.39	n/a	Soya Meal	May	441.16	431.90	436.31
HRW Wheat	May	276.95	266.75	236.26	Soya Oil	May	1,085.37	1,076.56	1,246.10
HRS Wheat	May	296.79	289.35	302.85	Canola	May	625.40	611.20	625.90
Corn	May	259.24	247.63	265.43	Canola	Nov	560.50	548.70	n/a
Corn	Dec	216.53	210.62	n/a	Crude Oil(WTI)	May	91.24	92.85	102.81
Ethanol(c/l)	May	63.80	63.85	58.57	Dollar Index	Jun	82.38	82.63	80.07
Oats	May	246.72	233.11	212.52	DJIA	Jun	14,774	14,440	12,850

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

COMMENT: The USDA's ending corn stocks projection on Wednesday was below average trade expectations providing a positive tone to prices over the week. Wet field conditions, suggesting late seeding and in turn a delay in the harvesting of early crops, lower yields and the potential for farmers to switch their planting plans to soybeans, was also supportive. For wheat price support came from unseasonably cold weather in the southern Great Plains raising the potential for crop damage and reports, rumoured and confirmed, of sales to China. Further, improvement in winter wheat crop condition was relatively muted in last weekend's crop report, raising the potential for above average abandonment with planting to corn or sorghum. The USDA's ending stock forecast for soybeans was below average trade expectations. Also supportive of prices was last week's export sales report, continued concern about port disruptions in Brazil and the tight supply situation for the current crop year.

NEWS: After last week's surprise over US corn stocks and implicitly feed and residual use, the USDA's April revisions to 2012-13 supply and use were largely anticipated. For US the forecast for corn feed and residual use was lowered by 3.8M tonnes, exports lowered by 0.6M tonnes but ethanol use raised by 1.2M tonnes, resulting in a 20 percent increase in the previously very tight ending stock forecast.

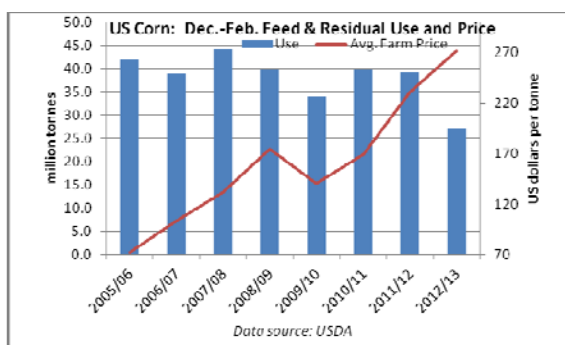
For US wheat feed and residual use was scaled back by 0.4M tonnes which was added to ending stocks. For soybeans the better than earlier anticipated domestic crush and export pace was accommodated by reducing residual use, with ending stocks being left unchanged at a minimal "pipe line" level. The most marked revision to the USDA's global forecasts was a 7.5M tonne, 5 percent, increase in coarse grain ending stocks. While half of this was a

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result of a reduced US feeding forecast, late season revisions in beginning stocks and output were also made. For wheat global ending stocks were raised 4.0M tonnes, about 2 percent, mostly due to increased output but also reduced use. These two revisions suggest that if global crop development is favourable, the current tight supply situation will not last long. Next month the USDA makes the first of its monthly forecasts for the 2013-14 crop year.

The USDA's crop progress report placed US winter wheat at 36 percent good and excellent up to points from last week but still trailing a 5-year average by 14 points and last year by 25.

At this time last year we were concerned that widespread rain across the Prairies would delay field work. This year we are still contending with snow.



OPINION: The USDA Feed Outlook, published Friday, containing quarterly supply and use data, did not provide much light on the dramatic decline in corn feeding during the Dec-Feb period. Surely other grains and dry distillers grain, a by product of fuel ethanol production, were substituted but not to the degree necessary to sustain livestock production. In recent years quarterly feed and residual data has been subject to revision so the full story may yet to be told.

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