

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					24-May-13				
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	256.29	251.05	249.85	Soybeans	Jul	542.42	532.22	507.79
SRW Wheat	Dec	263.82	259.96	n/a	Soya Meal	Jul	472.03	468.61	451.19
HRW Wheat	Jul	274.02	270.90	257.20	Soya Oil	Jul	1,085.59	1,091.77	1,105.00
HRS Wheat	Jul	296.06	295.15	286.60	Canola	Jul	634.50	636.80	612.20
Corn	Jul	258.75	256.97	212.56	Canola	Nov	557.50	551.30	n/a
Corn	Dec	211.21	204.52	n/a	Crude Oil(WTI)	Jul	94.20	96.37	90.87
Ethanol	Jul	65.28	67.15	55.37	Dollar Index	Jun	84.39	84.39	82.53
Oats	Jul	236.67	243.48	198.42	DJIA	Jun	15,307	15,266	12,441

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

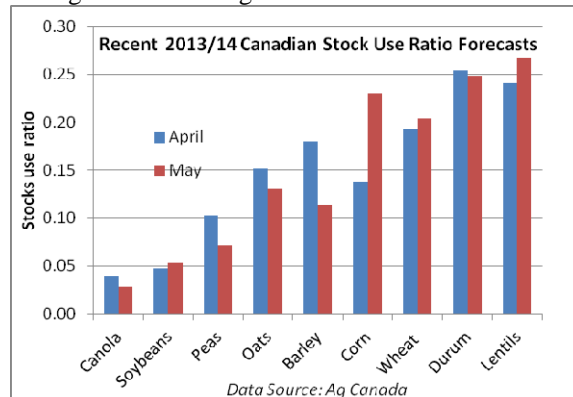
COMMENT: US corn prices were pressured early in the week by the USDA report of record weekly planting progress, but good ethanol demand, positive export data particularly for new crop, and forecasts for more broken weather in north western Corn Belt allowed both old and new crop prices to finish higher on the week.

Reports of at least some rain in Europe, Russia, Australia and the US Great Plains pressured wheat prices early in the week, but a positive export sales report from last week and confirmation of further Chinese sales allowed prices to end the week up on last week.

In contrast to the grains, oilseed prices were stronger early in the week. News of progress with corn planting reduced the prospect of increased soybean plantings and export data was positive. But the higher prices seem to have prompted increased farmer selling which limited gains towards the end of the week.

NEWS: Ag Canada published revised Canadian supply and disposition forecasts on Tuesday to reflect Stats Can's seeding intentions and March 31 stocks reports, revisions to Stats Can's S&Ds for past years, and presumably other market developments. The bottom lines to the changes are reflected in stocks use ratios, see graph. Forecast 2013-14 canola supplies were reduced by 9 percent with most of the adjustment on the use side being made to exports but ending stocks were reduced almost to the very tight level of this year. For peas improved export prospects, both this year and next, are the main reason for the lower ratio. A downward revision in 2013 barley output was balanced mainly by a lower ending stocks forecast, the lowest on record. For corn most of an anticipated increase in output is expected to result in

increased ending stocks. Due to prior year revisions, the forecast revisions for oats are somewhat complex, but the bottom line is that increased output is offset by increased use, mainly feed and residual, with ending stocks unchanged.



Provincial crop reports indicate seeding progress as follows: for MB as of May 20 - 30 to 65% complete depending on region compared to 70 to 95% last year; for SK as of May 20 - 27% complete overall compared to 64% last year and 44% 5-year average; and; for AB as of May 6 - all crops 3% complete, compared to 12% in 2012. While this is behind last year's pace, well over half of the Prairie crop has almost certainly now been seeded.

OPINION: With a record 41 percent of the US corn being planted in the week ending May 19, the delay in planting moved from being over two weeks behind average to less than one week. The late planting yield penalty and crop area diversion is now likely to be minimal. Hopefully, the same will hold north of the 49th.

David Walker, Edmonton, AB