

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday: 5-Jul-13									
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	242.51	241.68	296.24	Soybeans	Sep	469.03	478.85	562.90
SRW Wheat	Dec	246.37	246.70	n/a	Soybeans	Nov	451.30	460.02	n/a
HRW Wheat	Sep	251.97	253.72	297.07	Soya Meal	Sep	426.28	441.71	500.91
HRS Wheat	Sep	280.54	283.02	332.71	Soya Oil	Sep	1,031.58	1,012.18	1,182.60
Corn	Sep	206.98	215.44	255.46	Canola	Nov	511.30	533.00	626.30
Corn	Dec	193.40	201.17	n/a	Crude Oil(WTI)	Aug	103.02	96.65	86.37
Ethanol	Sep	58.86	58.57	63.72	Dollar Index	Sep	84.67	83.44	83.56
Oats	Sep	233.59	237.48	234.57	DJIA	Sep	15,065	14,930	12,727

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

COMMENT: US corn futures were lower over the holiday shortened week. Crop condition continues to improve and at least the short term weather forecast is conducive to further improvement. Significant US sales were made to China this week but neither last week's export sales nor the week's ethanol use reports provided much lift for the market.

US wheat futures were generally slightly lower over the week with a fairly positive export situation, at least in Pacific markets. This largely offset harvest selling pressure and improving northern hemisphere crop prospects.

Oilseed prices were generally lower over the week with improving crop prospects. Against this pressure, the US export sales report for last week was supportive for soybeans and oil and old crop domestic cash markets remain strong.

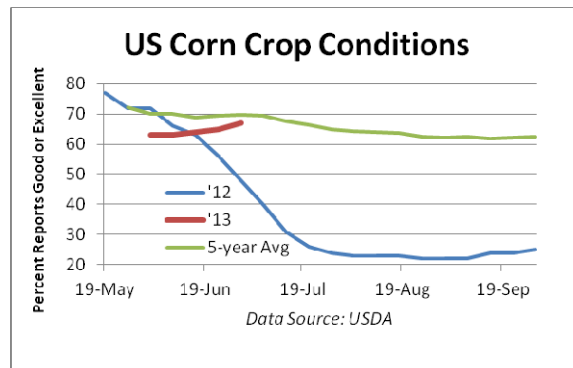
NEWS: The USDA reports on the condition of US spring planted crops as of June 30 were corn, soybeans and wheat 67, 67 and 68 percent good or excellent, respectively up 2 and 2 and down 2 percentage points, with five year averages for this date of 73, 70 and 71 percent. Corn silking had just started - 3 percent versus a 9 percent 5-year average. Winter wheat harvesting was 43 percent complete compared to 73 last year and a 5-year average of 52 percent.

Prairie provincial crop reports were as follows:

For **MB**, as of July 2 – with warmer weather and variable amounts of rainfall crops were, it seems, generally in good condition.

For **SK**, as of July 1 – rainfall across the province was variable with top soil moisture rated as 81 percent adequate. Crop development ratings have improved and are at 63, 61, 60 and 62 percent normal respectively for fall cereals, spring cereals, oilseeds and pulse crops, with almost all the balance behind.

For **AB**, as of July 2 – Crop growth conditions continue to be very favourable across the province with 85 percent of overall reports good/excellent, unchanged from two weeks ago, compared to a 66 percent 5-year average. Surface soil moisture was rated 87% good/excellent and sub soil moisture conditions are rated at 85% good/excellent.



OPINION: The late developing US corn crop's condition is improving, is approaching the 5-year average rating, and at least the immediate weather forecast is positive for its further improvement. There is concern, however, that a weather system resulting in hot and dry weather could become established in the western Corn Belt by the middle of the month. Two issues about this are that such longer term forecasts are far from certain and by the time that such a system would start to impact crop conditions better than half the crop will have gone through the critical silking period. If the adverse weather scenario is removed from the forecast, new crop prices will weaken as the risk premium is eroded. If the system continues to develop yields will almost certainly decline but not to last year's level.

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