

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					12-Jul-13				
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	250.23	242.51	311.49	Soybeans	Sep	477.02	469.03	576.68
SRW Wheat	Dec	254.91	246.37	n/a	Soybeans	Nov	461.95	451.30	n/a
HRW Wheat	Sep	260.33	251.97	312.68	Soya Meal	Sep	447.88	426.28	513.25
HRS Wheat	Sep	281.64	280.54	348.88	Soya Oil	Sep	1,021.22	1,031.58	1,188.55
Corn	Sep	214.75	206.98	272.08	Canola	Nov	530.80	511.30	623.90
Corn	Dec	200.48	193.40	n/a	Crude Oil(WTI)	Aug	105.58	103.02	87.67
Ethanol	Sep	60.76	58.86	66.57	Dollar Index	Sep	83.15	84.67	83.47
Oats	Sep	228.41	233.59	241.54	DJIA	Sep	15,362	15,065	12,707

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

COMMENT: Much of the bloom from price advances early in the week on rumours of US corn sales to China and threatening hot weather forecasts was lost late in the week when sales were confirmed and longer range weather forecasts started to call for cooler damper weather. The USDA's supply and demand update was regarded as slightly bearish as was last week's export sales report.

Wheat prices rose all week initially following corn and then in response to the positive USDA supply and demand forecasts and last week's export sales report. This despite US prices seemingly not being very competitive offshore and harvest sales pressure.

Soybean prices appeared to follow corn's lead all week but losses on Friday were particularly severe for old crop with sharp discounts in international vegetable oil markets.

NEWS: USDA July domestic supply and demand forecasts for 2013-14 reflect mainly adjustments following recently reported US grain stocks, area and production survey-based estimates. Wheat supplies were raised slightly with lower than earlier forecasted beginning stocks being more than offset by a higher production estimate. Ending stocks were cut as an upward export revision exceeded increased supply. The most significant revision in the global wheat situation was the upward revision in Chinese wheat feeding in 2012-13 which reduced 2013-14 beginning stocks and supplies, with a related increase in 2013-14 wheat use and reduced ending stocks. US domestic corn supply estimates were lower with a cut in beginning stock and harvested area. The lateness of the 2013 crop is seen as reducing use and with what is expected to be a record harvest, ending stocks are revised up slightly to well above levels of the last five years.

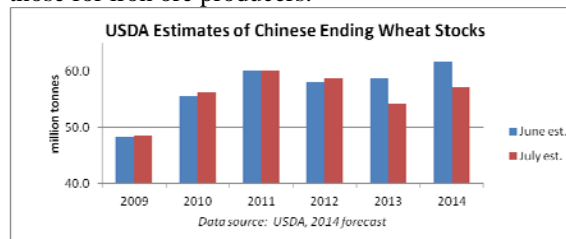
The USDA limited its revisions to global coarse grain data. A cut in supplies was in part matched by

a cut in use but the ending stocks forecast was also reduced.

With recent US soybeans stocks and seeded area much as earlier anticipated revisions to 2013-14 supply and use estimates were minor. Ending stocks are forecast slightly higher than a month ago and well above levels of the last five years.

The USDA raised its ending global oilseeds for 2013-14 slightly with some of an increase in output offset by increased use.

OPINION: In a week of big news including a one-day sale of 960,000 tonnes to corn to China, last week's US sales of almost 1.5M tonnes of wheat and a big swing in longer range weather forecasts, the massive 4.6M tonne cut in the USDA's estimate in Chinese wheat stocks hardly seems to have been noticed. It was attributed to a 25 percent increase in 2012-13 feed wheat use without any complementing cut in coarse grain consumption. Further this 5M tonnes adjustment was also made to forecasts for 2013-14 Chinese wheat feeding and wheat imports. The Chinese favour relatively large carry-over stocks even in comparison with their harvests - by far the largest of any country in the world. They even accumulated ending stocks since the 2008 harvest. Hence, the rebuilding of Chinese stocks forecast by the USDA looks realistic. And prospect for farmers are quite as dependent on the Peoples' Republic as those for iron ore producers.



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