

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					19-Jul-13				
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	244.16	250.23	346.58	Soybeans	Sep	487.21	477.02	629.50
SRW Wheat	Dec	248.11	254.91	n/a	Soybeans	Nov	468.11	461.95	n/a
HRW Wheat	Sep	259.14	260.33	345.75	Soya Meal	Sep	467.07	447.88	582.37
HRS Wheat	Sep	275.76	281.64	379.00	Soya Oil	Sep	1,002.48	1,021.22	1,197.81
Corn	Sep	214.16	214.75	303.04	Canola	Nov	516.50	530.80	645.70
Corn	Dec	197.14	200.48	n/a	Crude Oil(WTI)	Sep	106.91	105.58	91.76
Ethanol	Sep	65.30	60.76	70.32	Dollar Index	Sep	82.75	83.15	83.57
Oats	Sep	230.19	228.41	250.94	DJIA	Sep	15,487	15,362	12,674

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

COMMENT: Pressure on US corn prices from favourable weather forecasts for US crop development was largely offset by favourable demand news. The Chinese continue to buy US wheat seemingly absorbing much of the winter wheat harvest pressure and offsetting less than positive demand prospect from Europe. Soya complex markets continue to be subject to something of tug-of-war between tight old crop supplies and upward price pressure and prospects for much improved new crop supplies and lower prices.

NEWS: Western Canadian provincial crop reports indicate favourable crop conditions.

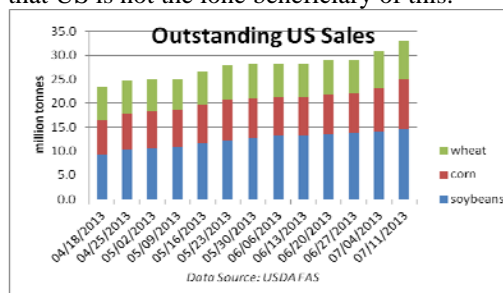
For MB, as of July 16: Growing conditions were good in all areas of the province except the south west where a violent weather system caused variable damage to crops.

For SK, as of July 15: Over 80 percent of most crops are considered in good or excellent condition with slightly lower percentages at a normal stage of development. Top soil moisture is rated as 82 percent adequate on a province-wide basis.

For AB, as of July 16: Crop growing conditions continue to be very favourable with 88 percent of crops rated good/excellent, up from 85 percent two weeks ago. Surface soil moisture remains virtually unchanged from last week, with 87 per cent good/excellent. Sub-surface soil moisture has improved by 5 to 90 per cent rated good/excellent. **US crop development** is also favourable. USDA's weekly crop progress report for July 14 indicated a slight declines in the major spring seeded US crop conditions. Corn, soybeans and spring wheat were rated 66, 65 and 70 percent good/ excellent, each two points below a week earlier, but about average for the season and well above year ago levels. Spring wheat has just about caught up but corn and soybean still lag average progress by a week and some.

July adjustments to AgCan's supply and disposition projections, resulting mainly from StatsCan June Seeded Area estimates, were minor as these estimates were not greatly different to earlier Planting Intentions. Some yield expectations were raised. For canola with a larger area and harvest 0.5M tonnes have been added to export and domestic use with ending stocks unchanged. For wheat a reduced area was offset by better yield expectations but a cut in exports was the main contributor to a small increase in ending stocks. Durum area and yield forecasts were both reduced resulting in cut in ending stocks to a level slightly below the 2012-13 level. For barley improved yield expectations from a month ago are expected to result in small increase in domestic feeding. Downward revisions in corn output and supply are expected to result in cuts in feeding and ending stocks but both will be above 2012-13 levels. A small increase in the forecast oat supply is expected to be fed domestically.

OPINION: It is surely frustrating for farmers to see prices drift lower as they have particularly for new crop this year, but there is some good news. US outstanding sales, sales made but not moved, the order book, looks as good as it has at any time in recent memory. Buyers do not seem hesitant to commit at current values. And one would expect that that US is not the lone beneficiary of this.



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