

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					26-Jul-13				
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	238.84	244.16	329.95	Soybeans	Sep	468.57	487.21	598.09
SRW Wheat	Dec	243.06	248.11	n/a	Soybeans	Nov	451.35	468.11	n/a
HRW Wheat	Sep	254.08	259.14	332.89	Soya Meal	Sep	445.35	467.07	553.49
HRS Wheat	Sep	270.62	275.76	357.14	Soya Oil	Sep	961.69	1,002.48	1,151.51
Corn	Sep	193.69	214.16	293.39	Canola	Nov	496.90	516.50	607.90
Corn	Dec	187.39	197.14	n/a	Crude Oil(WTI)	Sep	104.71	106.91	90.19
Ethanol	Sep	59.07	65.30	67.07	Dollar Index	Sep	81.74	82.75	82.74
Oats	Sep	214.95	230.19	244.45	DJIA	Sep	15,450	15,487	13,030

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

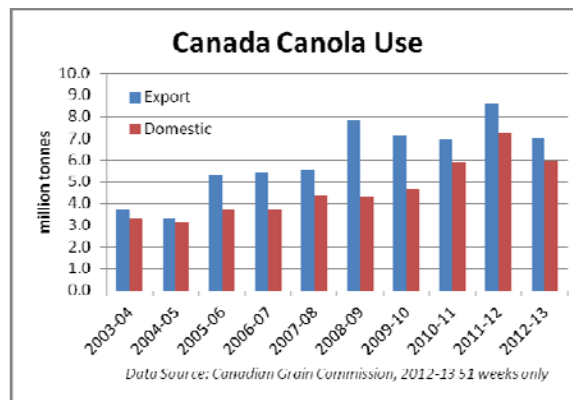
**COMMENT:** This week's major influence on prices, for both US corn and soybeans, was a surge in old crop farm sales as new crop harvest prospects improved with favourable weather and forecasts. Old crop price premiums were virtually eliminated. New crop prices were also lower. Export sales continue to impress but did little to support prices.

Wheat prices were lower over the week but mark downs were not as severe as for corn and soybeans. Export business is being done in the Pacific market even if the US has missed out on several high profile Atlantic market tenders.

**NEWS:** The percent of good and excellent corn, soybean and spring wheat crop condition ratings in the USDA crop progress report for July 21 fell 3, 1 and 2 points to 63, 64 and 68 percent, respectively. These ratings are well within past ranges for this time of year and reflect deterioration of crops in specific locations rather than overall degradation of the crop. The winter wheat harvest was 75 completed compared with a 76 percent average. Harvest was about 10 days late starting and the catch up may reflect below average yields although they are circumstantial reports are that yields are better than earlier expected. Harvesting of white winter wheat in the Pacific Northwest had just begun.

**OPINION:** In recent years the use of Canadian canola appears only to have been limited by supplies and when these were limited seed exports suffered. With a succession of record

harvests both export and domestic use have had latitude to expand. Last year, however, the aster yellows event resulted in a disappointing harvest with the need for available supplies to be rationed. Both exports and domestic crush will be lower and much of the recently expanded crushing facilities have been working at less than full capacity.



News of further expansion in crushing capacity suggests investors are confident that canola supply can be further increased or export demand can be priced out of the market. While there appears to be lots of latitude for the latter in terms of volume, the 2012-13 experience puts into question the reality. But if it was certain the export market would have been demoted to second fiddle long ago.

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