

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					2-Aug-13				
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	242.69	238.84	327.47	Soybeans	Sep	445.60	468.57	601.03
SRW Wheat	Dec	247.29	243.06	n/a	Soybeans	Nov	433.94	451.35	n/a
HRW Wheat	Sep	259.69	259.14	329.22	Soya Meal	Sep	349.44	445.35	562.09
HRS Wheat	Sep	272.36	254.08	350.35	Soya Oil	Sep	936.78	961.69	1,152.62
Corn	Sep	191.92	193.69	297.62	Canola	Nov	493.60	496.90	619.00
Corn	Dec	182.57	187.39	n/a	Crude Oil(WTI)	Sep	106.78	104.71	91.23
Ethanol	Sep	57.51	59.07	68.39	Dollar Index	Sep	82.01	81.74	82.46
Oats	Sep	219.65	214.95	245.10	DJIA	Sep	15,566	15,450	13,047

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

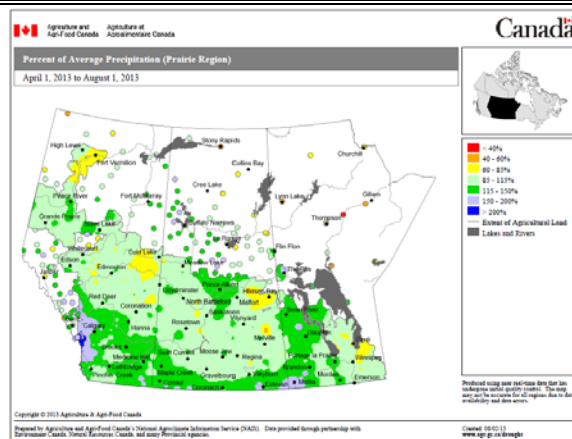
**COMMENT:** US corn price declines were more modest this week with reduced farmer sales and a very supportive export sales report for last week. But favourable weather and less promising demand indicators kept pressure on prices. Wheat prices ended the week higher on a positive export sales report for last week, reports that China is still in the market for soft wheats and conditions in Europe reported on the dry side. The oilseed complex was lead lower by old crop soybeans. Even though last week's export sales report was very positive, weather forecasts for the critical pod filling period are favourable. Canola prices resisted some of the pressure possibly as cooler weather is delaying crop maturation.

**NEWS:** Western Canadian provincial crop reports continue to indicate favourable crop conditions.

**For MB, as of July 29:** Crop growth has slowed with the cooler temperatures which will benefit flowering and grain filling of many crop types.

**For SK, as of July 29:** Eighty-four per cent of spring wheat, 82 per cent of canola, 81 per cent of lentils and 88 per cent of peas are in good/excellent condition. Most parts of the province received some rain last week. Topsoil moisture on crop land is rated 78 per cent adequate.

**For AB, as of July 30:** Crops are progressing well with spring cereals pollinating and entering the milk stage, canola and field peas at 55 – 65% podding and winter wheat in the soft to hard dough stage. Ratings have declined marginally to 87% good/excellent compared to a 66% 5-year average. Subsoil moisture ratings have declined to 81% good/excellent. Based on current conditions yields could be 10 to 20% above long term averages for spring cereals, canola and field peas with winter wheat yields 5% above long term averages.



The **USDA** crop progress report for July 28 listed corn, soybeans and spring wheat percentage in good/excellent conditions at 63, 63 and 68 with 5-year averages of 65, 62 and 68.

US winter wheat harvesting was 81% complete, and now active in the Pacific Northwest. Corn silking was listed as having been reached in 71% of reports, compared to a 5-year average of 75%. Soybean pod setting was listed as having started in 20% of reports, compared to a 5-year average of 34%.

**OPINION:** Supplies prospects for grains and oilseeds for the new crop year, and particularly for US corn and beans, have improved. The US corn crop has had reasonable conditions for pollination and at least early conditions for soybean pod setting are favourable. Hence the recent slide in prices. But equally influential particularly over the whole crop year is demand and here prospects are more positive. US export sales reports continue to exceed expectations and outstanding sales are probably at record levels. Sometime soon demand prospects will be seen as out weighing supply prospects and market prices will turn. Wheat may even be there.

David Walker, Edmonton, AB, CA