

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday: 30-Aug-13									
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	236.36	233.14	326.83	Soybeans	Sep	523.22	501.64	645.39
SRW Wheat	Dec	240.31	237.37	n/a	Soybeans	Nov	498.60	487.95	n/a
HRW Wheat	Sep	257.48	255.37	332.89	Soya Meal	Sep	424.77	393.02	587.99
HRS Wheat	Sep	264.65	263.82	348.42	Soya Oil	Sep	967.64	940.08	1,258.44
Corn	Sep	194.87	195.07	293.85	Canola	Nov	521.50	515.10	637.60
Corn	Dec	189.75	185.03	n/a	Crude Oil(WTI)	Sep	107.61	106.35	96.45
Ethanol	Sep	63.01	64.48	67.60	Dollar Index	Sep	82.14	81.39	81.53
Oats	Sep	253.86	235.38	257.75	DJIA	Sep	14,798	14,965	12,994

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

COMMENT: US new crop corn prices were generally higher at the start of the weekly but drifted lower under the influence of weather forecasts which became less threatening. Wheat export demand has been supportive of prices particularly hard red winters, even if US wheat is not competitive in the large North African and Middle East markets. Reports of quality problems with the Chinese crop are expected to result in further demand. The declining condition of the US soybean crop and forecasts for unfavourable weather conditions supported oilseed prices but continued export sales to China have also been positive.

NEWS: Prairie provincial crop reports suggested good harvest progress with a slightly late crops.

For MB, as of Aug. 26: Crops are maturing rapidly due to the continuing above normal temperatures, allowing excellent harvest progress with yields generally above average and good quality.

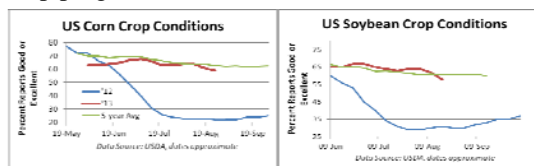
For SK, as of Aug. 26: Harvest is underway in all regions of the province with 5 percent of the crop combined and 14 percent swathed or ready to straight cut, compared to 15 and 22 percent for the 5-year average for this week. Yields are above average for most areas.

For AB, as of Aug. 27: Harvest operations are underway in all regions with 10% swathed and 4% combined. Warm temperatures have benefited crop development though crops in some areas need another 7 to 10 days without frost. Current yield estimates indicate production 10 to 15% above long term yield averages.

The USDA's August 25 **US crop progress** report indicated good/excellent reports for corn and soybeans down 2 and 4 percentage point, at 59 and

58 percent respectively, with 5-year averages of 63 and 60 percent. The spring wheat harvest was 42 percent complete compared to a 54 percent average and 95 percent last year.

OPINION: While a record US corn crop is anticipated due to a record area, conditions of the crop are average at best with that average including last year's very poor assessment. With the critical silking period past, the crop is not very weather dependent with much of the crop nearing maturity. The soybean crop, however, is in its pod filling phase and still weather depended. Hence the market's weather focus particularly in view of less than ideal crop progress in recent weeks.



Weather concerns will soon switch to the planting of the US winter wheat crop. Last year they started poorly and just got worse. But the global supply situation for wheat is not as tight as that for oilseeds so market reaction is likely to be muted.

David Walker, Edmonton, AB, CA

Erratum: Last week in the table Canadian crop production was incorrectly totaled – the correct total is 71.1M tonnes, 11 percent above 2012 and 23 percent above the 5-year average.