

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday: 6-Sep-13									
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	238.01	240.31	332.52	Soybeans	Nov	502.55	498.60	638.04
HRW Wheat	Dec	255.55	258.49	339.23	Soya Meal	Dec	389.08	384.36	580.83
HRS Wheat	Dec	261.89	268.32	352.00	Soya Oil	Dec	957.50	976.46	1,249.18
Corn	Dec	184.34	189.75	293.39	Canola	Nov	497.90	522.30	640.60
Ethanol	Dec	44.35	45.68	66.39	Crude Oil(WTI)	Dec	107.75	105.71	96.33
Oats	Dec	207.17	223.70	253.21	Dollar Index	Dec	82.20	82.39	80.43
					DJIA	Dec	14,995	14,714	13,200

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

COMMENT: US corn prices trended lower as harvested picked up in the US south with reports of better than expected yield. Last week's export sales data was disappointing. Wheat markets were also softer particularly US hard red springs on account of harvest progress but hard red winter wheat prices benefitted late in the week from favourable US export data for last week. Soybean prices were also supported by better than expected export figures from last week. A stronger dollar and the approach of harvest weighed on canola values.

NEWS: Statistics Canada reported July 31, crop year end, **stocks** of principal field crops in all positions lower than a year earlier for lentils, flax, field peas, oats, durum, barley, canola and wheat, respectively by 65, 48, 41, 37, 23, 18, 14, and 12 percent. Stats Canada noted that Alberta farm stocks of wheat fell by 23 percent, compared to 11 percent for Canada as a whole, perhaps suggesting Alberta farmers were more ready to sell without the Canadian Wheat Board than others.

Statistics Canada also appears to have raised its **2012 production** estimates for canola, oats, field peas and lentils by 4, 5, 18 and 4 percent respectively. No comment was made concerning these apparent revisions. But as they were all increases, it is assumed they were yield rather than area adjustments, and/or summer fallow area was revised lower.

OPINION: As has been the case for several years now Stats Canada has found it necessary to revise, retrospectively, their previous year's production estimates. This appears to have been done in order to avoid having to report negative

feed, waste and dockage use which for most crops is mainly farm feeding but can hide "errors". When stocks of a particular crop are low and farm use is relatively low as is the case for canola, oats, field peas and lentils this year, room for error is exhausted.

It is recognized that statistics are not politically "sexy" and that statistics generation in Canada does not have the "protection" of an industry associated ministries. Hence, budgets suffer at the expense of more sexy and expensive items such as the Orrville Gazebo.

At the same time Statistics Canada would probably be better off if it was upfront about its challenges. It is evident that those in the know, the grain trade, were well aware of what was coming. They were reported as expecting a slightly higher stock figure suggesting they were in turn expecting a larger revision to 2012 production. Certainly the dramatic decline in Stats Canada's feed, waste and dockage estimate suggests this might have been the case.

David Walker, Edmonton, AB, CA

