

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday: 20-Sep-13									
Grains					Oilseeds & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	237.46	235.71	329.68	Soybeans	Nov	483.17	507.51	595.97
HRW Wheat	Dec	254.54	254.27	340.33	Soya Meal	Dec	373.38	401.69	535.74
HRS Wheat	Dec	257.12	259.32	351.91	Soya Oil	Dec	933.47	933.47	1,208.84
Corn	Dec	177.55	180.70	274.93	Canola	Nov	484.00	499.40	613.90
Ethanol	Dec	43.38	43.67	59.70	Crude Oil(WTI)	Dec	103.82	107.96	91.87
Oats	Dec	200.20	202.47	243.81	Dollar Index	Dec	80.54	81.63	79.40
					DJIA	Dec	15,480	15,301	13,531

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

**COMMENT:** The onset of the US harvest and disappointing export demand pressured corn prices. For wheat improved soil conditions for planting the winter crop weighed on prices but Thursday's report on last week's export sales was supportive. Export sales reports were also positive for soybean prices but towards the end of the week supply side consideration came to dominate as concerns with the development of the crop and harvest dissipated with favourable weather and forecasts.

**NEWS:** The Prairie harvest is well advanced and while the frequency and severity of frost events has increased this past week most crops are mature enough not to have been damaged.

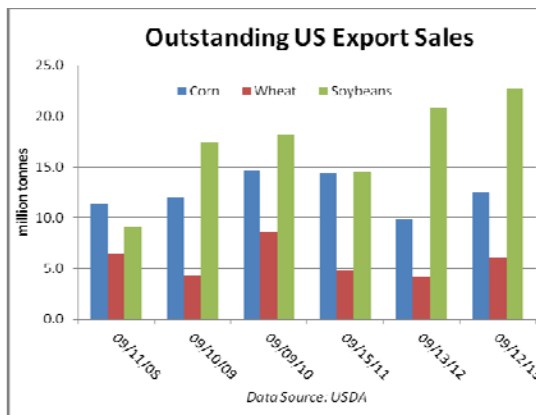
Agriculture and Agri-Food Canada (AAFC) published revised supply and disposition forecasts this week to reflect StatsCan's preliminary, July, crop estimates and end of crop year, July 31, stocks.

For **wheat** revised 2012-13 exports are the largest in 15 years. With improved 2013 wheat harvest prospects for another good export year is anticipated, but forecast 2014 ending stocks have been raised to the highest level since 2006. For **durum** the situation is similar with improved supplies resulting in higher exports but ending stocks also rising, but still within a range typical for durum.

Stats Can made a late revision to 2012 **canola** area and yield to balance supply and disposition – exports, crush and 2013 ending stocks. All were lower than the previous year due to the disappointing 2012 harvest. Another tight supply year is forecast for 2013-14 even with the prospect of a record harvest. Late revisions to the 2012 **pea** area and yields were also made to balance known use this past year. The supply situation is seen as being tight again this year. Stats Can reduced its 2012 summer fallow and oats area to accommodate most of the increased area seeded to these two crops.

Improved **barley** yield prospect are expected to be the major contributor to increased supplies which will allow for some expansion in use and increase in ending stocks which have been relatively tight in recent years. The 2013 **oat** output is revised down and although above 2012 will result in reduced overall supplies and ending stock the lowest since the drought of 2002. A record 2013 **corn** crop is anticipated, but a late surge in exports this past year is expected to limited the increase in supplies and mitigate the build up in 2014 ending stocks.

**OPINION:** By September prospects for US crops are fairly certain and overseas buyers have probably committed to at least their certain needs. For wheat and corn these commitment in terms of outstanding, i.e. yet to be shipped, export sales have been relatively flat but those for soybeans have been trending higher. As of mid September outstanding sales of wheat, corn and soybeans were respectively about 20, 40 and 60 percent of production. Most of the soybean sales are to the Chinese who seem to put a priority to securing supplies at this time.



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