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Grains & Oilseed Markets

For the week ending Friday, 29-Jun-12

Settlement Prices for Selected Commodities in US or Can.$ / tonne for week ending Friday: **29-Jun-12**

Grains					Oilseeds & Others				
Commodity	**Month**	**This week**	**Last week**	**Year ago**	**Commodity**	**Month**	**This week**	**Last week**	**Year ago**
SRW Wheat	Sep	278.24	249.30	224.96	Soybeans	Sep	532.87	512.29	481.15
HRW Wheat	Sep	277.78	257.39	264.83	Soya Meal	Sep	467.40	454.17	377.55
HRS Wheat	Sep	310.30	288.25	295.60	Soya Oil	Sep	1,159.45	1,098.82	1,224.71
CWRS	Oct	279.00	265.00	n/a	Canola	Nov	596.70	575.10	552.60
Durum	Oct	275.50	275.50	n/a	Crude Oil(WTI)	Sep	85.18	80.51	95.51
Corn	Sep	230.93	202.55	238.87	Ethanol	Sep	58.62	54.31	63.45
Oats	Sep	219.17	197.28	225.00	Dollar Index	Sep	81.79	82.43	74.62
Barley	Oct	201.00	183.00	n/a	DJIA	Sep	12,825	12,583	12,514

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

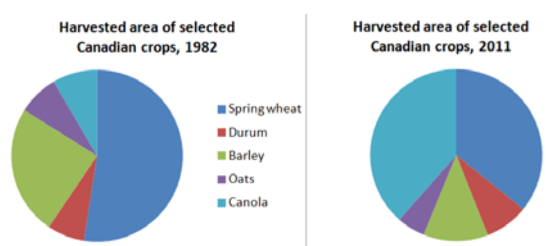
COMMENT: The US corn market was buffeted all week by weather reports and forecasts with no significant break in dry/hot conditions in sight. Prices were up over 10 percent on the week. Weekly export data was considered negative but today's stocks and area mixed. Reports from the European leaders' summit on Friday morning were regarded as friendly by almost all commodity markets. Wheat prices were also higher with somewhat positive USDA reports on Friday and continuing concerns over Black Sea region crops. Friday's USDA reports were considered bearish for soybeans but there was enough positive news in outside markets and the weather to generate gains by the end of the week after some earlier volatile price activity.

NEWS: StatsCan June 1 seeded area report indicated farmers plan to seed 28.7M hct. to the major grains, oilseeds and pulses, 13 percent more than last year. More favourable seeding conditions have allowed them to cut summer fallow by more than two thirds to a level in line with long term trends. Specific crop areas relative to 2011 are spring wheat +8% (March intentions +9%), winter wheat +22 (+21), durum +17 (+27), barley +14 (+23), oats -1 (+9), corn +21 (+18), canola +13 (+8), soybeans +13 (+4), flax +54 (+50), dry peas +50 (+42) and lentils +2 (+4).

June 1 US stocks of wheat, corn and soya beans were reported at 20.2M, 80.0M and 18.2M tonnes, respectively down 14, down 14 and up 8 percent from a year ago. In contrast to a year ago corn stocks were well within the range of trade expectations and slightly below average thinking. Those for wheat and soybeans were at the top end of trade expectations.

US area seeded to corn and soybeans were reported by the USDA at 39.0M and 30.8M hectares, respectively, up 5 and up 1 percent from 2011. Both estimates were towards the top end of the range of trade expectations. Spring wheat and durum areas were surveyed at 4.9M and 0.9M hectares, down 3 and up 61 percent from last year when wet conditions limited planting but below average trade expectations. Likewise most minor feed grains, oilseed and pulse crop areas, mainly grown in northern tier states, were up.

OPINION: With another record canola area this year concerns over tightening rotations are increasing. But this is a particular challenge for canola agronomy rather than Prairie agriculture as a whole. The reality is there is greater cropping diversity than there was even 30 years ago and certainly much more so than the virtual wheat monoculture that has developed over this same period in parts of Western Europe under the EU Common Agricultural Policy.



David Walker, Edmonton, AB, CA