

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	207.70	209.07	285.31	Soybeans	Mar	472.06	483.72	529.47
HRW Wheat	Mar	230.48	229.01	304.78	Soya Meal	Mar	386.17	394.16	459.02
HRS Wheat	Mar	225.24	226.09	317.83	Soya Oil	Mar	827.64	832.05	1,148.65
CWRS Wheat	Spot	163.87	162.31	n/a	Canola	Mar	425.20	423.10	612.50
CPS Wheat	Spot	136.15	134.94	n/a	Crude Oil(WTI)	Mar	96.52	94.42	95.88
Corn	Mar	169.09	170.37	264.83	Dollar Index	Mar	80.55	81.38	79.82
Ethanol	Mar	45.54	49.59	63.01	DJIA	Mar	15,905	16,400	13,812
Oats	Mar	256.94	250.61	235.38					

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

For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: US corn prices held over the week on demand news – last week’s export sales data was viewed as positive and several large daily sales were announced on Friday. Iraq was reported to have bought 100,000 tonnes of Canadian wheat but it was a quiet week for the US wheat markets. It was another very positive week for US soybean export sales to the degree that it now seems sales will need to be cancelled or soybeans imported to balance supplies. Against this South American crop prospects continue to improve and it was probably this that resulted in lower soybean and canola prices over the week.

NEWS: Estimates of South American crops, particularly Brazilian soybeans, are coming thick and fast as their harvest begins. The USDA in its January 10 forecast raised its Brazilian soybean estimate to 89 million tonnes from 88, compared to 82 last year. This week a Brazilian consultant raised its estimate to 91.8. It now seems that Brazil will harvest a larger crop than the US this year. A private estimate placed the Argentinean soybean crop at 53 million tonnes compared to the USDA’s January forecast of 54.5, unchanged from its December projection.

OPINION: It is now two years since the ill fated Inter Continental Exchange wheat, durum and barley futures markets were floated. Styled after the successful canola market developed by the Winnipeg Commodity Exchange, there was an expectation that they would be central to grain marketing on the Prairies. Why they have failed so miserably is difficult to assess. That nobody uses them because nobody uses them is a reality rather than a reason.

In a year like this they would have been very useful to farmers making the decision as to whether to join the metaphorical elevator line up or wait until quieter times in the summer. And there is more than nickels and dimes involved in these decisions.

While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.

Spot cash basis for CPS wheat in the Edmonton area was quite consistently in a zero to \$20 range below nearby US soft red winter wheat futures(Chicago) for a six month period leading up to harvest. It has since sunk to \$80 to \$100 under Chicago. CWRS wheat traded in a slightly wider and lower range against nearby US hard red spring wheat(Minneapolis) prior to harvest, but suffered the same fate as CPS.

Basis will narrow to pre-harvest levels once the backlog to distressed grain has been moved or there is a degree of confidence that it will. That confidence will, of course, reduce the distressed grain of itself.

And it is here that a functioning futures market would have been able to assist in the pricing of forward sales and the willingness of farmers to defer delivery.

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