

## **Grain and Oilseed Markets**

For the week ending Friday, 02-Jan-'15

| Grain and Related Prices  |       |           |           |          | Oilseeds & Other Prices                             |       |              |           | 2-Jan-15 |
|---|-------|-----------|-----------|----------|---|-------|--------------|-----------|----------|
| Commodity   | Month | This week | Last week | Year ago | Commodity   | Month | This<br>week | Last week | Year ago |
| SRW Wheat   | Mar   | 213.57    | 224.41    | 222.58   | Soybeans  | Mar   | 370.20       | 387.28    | 467.19   |
| HRW Wheat   | Mar   | 226.71    | 236.72    | 236.08   | Soya Meal   | Mar   | 308.89       | 328.16    | 369.30   |
| HRS Wheat   | Mar   | 225.24    | 232.04    | 231.67   | Soya Oil  | Mar   | 707.49       | 718.51    | 851.01   |
| CWRS Wheat  | Spot  | n/a       | n/a       | 155.86   | Canola  | Mar   | 443.00       | 435.80    | 442.00   |
| CPS Wheat   | Spot  | n/a       | n/a       | 132.7    | Crude Oil(WTI)                                      | Mar   | 52.96        | 55.16     | 94.250   |
| Corn  | Mar   | 155.80    | 163.28    | 166.72   | Dollar Index  | Mar   | 91.38        | 90.33     | 80.91    |
| Ethanol   | Mar   | 41.69     | 41.48     | 47.39    | DJIA  | Dec   | 17,725       | 18,050    | 16,385   |
| Oats  | Mar   | 195.98    | 198.42    | 223.22   |   |       |              |           |          |
| Data points in red are/were 12-month highs, in blue are 12-month lows |       |           |           |          | For price specs. go to: www.open-i.ca/PriceSpec.htm |       |              |           |          |

**COMMENT**: Christmas week was not generous

for crop markets with most prices lower and some quite significantly so. For wheat the outcome of possible restrictions on Russian exports is increasingly seen likely to benefit other exporters with weaker currencies than the US. For both corn and soybeans the approaching large South American harvests are weighing on prices and falling crude oil prices appear to be reducing demand for US corn for ethanol production. But the latter has yet to be reflected in ethanol prices. Canola prices were, however, higher, possibly reflecting a weaker Canadian dollar and restrained farmer marketing.

NEWS: The USDA reported export sales of 0.35M, 0.90M and 0.61M tonnes, respectively, for wheat, corn and soybeans for the week ending December 25 which may not be too meaningful in view of the Christmas break. More relevant to prospects are probably outstanding - made but yet to be shipped, sales. For wheat they stand at 5.2M tonnes compared to 5.5M tonnes a year ago, for corn 14.8M compared to 17.2M tonnes a year ago and for soybeans 14.3M as opposed to 17.2M tonnes a year ago.

Wheat export movements stand at 13.M tonnes compared to 19.0M tonnes a year ago, corn 12.1M compared to 10.9M tonnes, and soybeans 28.0 compared to 23.4M tonnes.

Soybean shipments and sales to date for the crop year represent 89 percent of the USDA forecast for the crop year. Twelve months ago 90 percent of anticipated exports had been so committed. In contrast to last year a tight US supply situation is not anticipated and hence one might surmise no urgency to commit by importers.

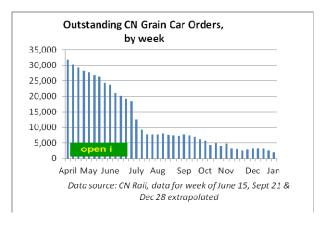
**OPINION:** CN Rail reported unfilled rail car orders for the week of January 4 at less than 2,000, the equivalent of less than three days of supply and less than 7 percent of levels of last April.

One might suppose that the decline in this statistic indicates farm supplies are close to exhaustion. A more plausible explanation is that farmers have been in no hurry to sell what they have stored on farm. In turn this may reflect generally reasonable cash flow in 2014 but less optimism for 2015 with tax implications a consideration. Also the railways take less of a break for the Christmas holidays than most other sectors of the economy.

But by delaying sales in this manner farmers indicate a new found confidence in the performance of the railways and/or in the ability of the minister of agriculture to work magic to the same end.

David Walker, Edmonton, AB, CA





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.