

| Grain and Related Prices | | | | | Oilseeds & Other Prices | | | | |
|--|-------|-----------|-----------|----------|---------------------------|-------|-----------|-----------|----------------------|
| Commodity | Month | This week | Last week | Year ago | Commodity | Month | This week | Last week | 9-Jan-15 Year ago |
| SRW Wheat | Mar | 207.14 | 213.57 | 209.07 | Soybeans | Mar | 386.64 | 370.20 | 469.76 |
| HRW Wheat | Mar | 220.65 | 226.71 | 230.02 | Soya Meal | Mar | 316.69 | 308.89 | 375.20 |
| HRS Wheat | Mar | 221.66 | 225.24 | 228.00 | Soya Oil | Mar | 742.54 | 707.49 | 842.86 |
| CWRS Wheat | Spot | 212.73 | n/a | 153.59 | Canola | Mar | 452.20 | 443.00 | 429.80 |
| CPS Wheat | Spot | 177.08 | n/a | 139.25 | Crude Oil(WTI) | Mar | 48.36 | 52.96 | 92.970 |
| Corn | Mar | 157.57 | 155.80 | 170.37 | Dollar Index | Mar | 92.19 | 91.38 | 80.71 |
| Ethanol | Mar | 39.28 | 41.69 | 49.59 | DJIA | Mar | 17,770 | 17,725 | 16,332 |
| Oats | Mar | 196.63 | 195.98 | 250.61 | <i>New crop Canola</i> | Nov | 434.50 | 419.60 | 461.10 |
| Data points in red are/were 12-month highs, in blue are 12-month lows | | | | | <i>New crop SRW wheat</i> | Dec | 216.70 | 222.94 | 222.12 |
| For price specs. go to: www.open-i.ca/PriceSpec.htm | | | | | <i>New crop corn</i> | Dec | 165.94 | 165.15 | 177.94 |

COMMENT: Wheat prices continue to slide with international tender results seemingly indicating that North American wheat prices are not competitive in Atlantic markets, but this may not be too critical at this time of year. Concerns about winter kill of fall seeded crops and the threat of Russian export restrictions are not longer supporting prices. Export demand news for corn was mixed but concern over prospects for ethanol use is increasing. South American production prospects continue favourable. Export demand for US soybeans continues to be strong and enough to hold prices even as the harvest of a large South American crop gets closer.

NEWS: This week's news stemming from reports covering in the main the holiday season may not be overly indicative of trends.

By way of example the Canadian Grain Commission's weekly reporting covers two weeks over the Christmas holiday. Farmer deliveries for the two weeks were 0.908M tonnes compared to 0.958M for the previous week. Exports were 1.059M compared to 0.696M tonne and domestic disappearance 0.422M compared to 0.264M tonne. The net result of this is a decline in marketing channel stocks from 6.775M tonnes to 5.981M tonnes. This simply reflects the fact that the railways tend to work longer hours than country elevators and farmers at this time of year. Now we are into the New Year farmers are expected to reverse this apparent trend in commercial stock levels in short order.

After months of rumours and uncertainty the Russian government formally announced, just before Christmas, a wheat export tariff of 15 percent plus \$10.50 per tonne, to be effective initially from February until June, with Egypt seemingly excluded from the measure. As much of its 2014 crop has already moved to market, the impact for this crop year is probably already in the market. The Russians are likely torn between the conflicting needs to control domestic prices and to maximize foreign currency earnings.

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.

On Monday the USDA will be reporting on final 2014 production estimates, Dec. 1 grain stocks which will provide an early indication of this crop year's feed use, and 2015 winter wheat area which together with other ongoing developments will result in revisions in its domestic and global supply and demand forecasts for 2014-15 crop year.

OPINION: New, 2015, crop prices are listed this week and will be for the duration of the contract. Last year forward pricing canola on the basis of new crop futures would seem to have been rewarding. But they did not provide a very accurate indication of post harvest prices. Much of the premium on new crop, or rather discount on old crop, prices over the winter months of 2014 almost certainly reflected the transportation situation.

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