

Grain and Related Prices					Oilseeds & Other Prices					16-Jan-15
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	195.75	207.14	209.08	Soybeans	Mar	364.41	386.64	483.72	
HRW Wheat	Mar	212.01	220.65	229.01	Soya Meal	Mar	295.91	316.69	394.16	
HRS Wheat	Mar	214.77	221.66	226.99	Soya Oil	Mar	736.15	742.54	832.05	
CWRS Wheat	Spot	212.73	212.73	162.31	Canola	Mar	450.60	452.20	423.10	
CPS Wheat	Spot	177.08	177.08	134.94	Crude Oil(WTI)	Mar	49.00	48.36	94.420	
Corn	Mar	152.35	157.57	170.39	Dollar Index	Mar	92.99	92.19	81.38	
Ethanol	Mar	36.19	39.28	47.82	DJIA	Mar	17,348	17,770	16,400	
Oats	Mar	187.23	196.63	259.04	<i>New crop Canola</i>	Nov	426.60	434.50	463.30	
Data points in red are/were 12-month highs, in blue are 12-month lows					<i>New crop wheat</i>	Dec	204.94	216.70	219.91	
For price specs. go to: www.open-i.ca/PriceSpec.htm					<i>New crop corn</i>	Dec	163.28	165.94	176.76	

COMMENT: Wheat prices continued their downward trend which has seen a 15 percent loss in value since before Christmas with little besides the Russian trade restriction evident since then. Even the USDA's estimate of a lower than anticipated winter wheat area seemed to have much impact. Export sales data for last week was disappointing. US corn prices were supported by a cut in the 2014 harvest estimate early in the week with a fall in ethanol prices probably responsible for lower prices mid week. Soybean prices were also lower with the March futures contract breaking the ten dollar per bushel level despite continued positive demand indications. Canola appears to have been supported by more positive vegetable oil price trends.

NEWS: USDA survey reports published on Monday reduced estimated 2014 production of corn by one percent, but at a record 361.1M tonnes it was still 3 percent above 2013. It raised soybean estimate slightly to 108.0M tonnes also a record and up 18 percent from 2013. These estimates were below trade expectation for corn and slightly above for soybeans.

December 1 US stocks of corn, soybeans and wheat were placed at 284.6M, 698.7M and 41.5M tonnes, respectively, up 7, 17 and 3 percent from a year ago. These estimates were above average expectations for corn and wheat and below for soybeans.

Last fall's planted area for all wheat was surveyed at 16.4M hectares, 5 percent below last year and below the range of trade expectations. The area seeded to all three classes of wheat was below expectations.

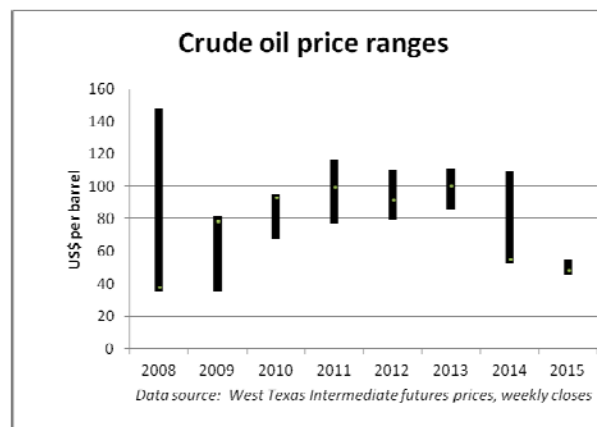
After adjusting for these three reports and other market developments the US's monthly Supply and Use forecasts for ending stocks were revised to 18.7M, 47.9M and 11.6M tonnes, respectively, for wheat, corn and soybeans about 116, 153 and 356 percent of year earlier levels. The largest adjustment from month earlier forecasts was for corn with lower output being balanced about equally by reduced feed and ending stocks with a small increase in use for ethanol. For wheat a reduced

feed use forecast was offset an increase in the export forecast. For soybeans the small increase in output estimate was offset by usage adjustments with ending stocks unchanged.

The USDA's forecasts for global ending stocks for wheat, coarse grains and oilseeds were 196.0M, 223.9M and 92.0M tonnes, respectively, 1.1M above, 3.3M below and 0.6M tonnes above December forecasts. Year-over-year coarse grain stocks were down slightly, wheat up 7.8M tonnes and oilseeds up 24.4M tonnes or 30 percent to a record 104.7M tonnes.

OPINION: Some crude oil prices were higher this week. While it may not indicate an end to the slide, it is a reminder to those with short memories that such things happen. Since breaking the \$100 per barrel level at the end of July prices have recorded a decline every week except for four. The slide, however, does not yet match that of 2008 when prices dropped from over \$140 to under \$40 in the second half of the year. The big difference between the two events was that in 2008 the slide appeared to have been the result of demand factors. This time it seems to be supply. But the cynics might suggest it was simple OPEC manipulation in both cases.

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