

Grain and Related Prices					Oilseeds & Other Prices					23-Jan-15
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	194.74	195.75	207.70	Soybeans	Mar	357.43	364.41	472.06	
HRW Wheat	Mar	207.24	212.01	230.48	Soya Meal	Mar	300.72	295.91	386.17	
HRS Wheat	Mar	204.18	214.77	225.24	Soya Oil	Mar	696.69	736.15	827.64	
CWRS Wheat	Spot	180.02	201.42	163.87	Canola	Mar	461.50	450.60	425.20	
CPS Wheat	Spot	170.68	170.68	136.15	Crude Oil(WTI)	Mar	45.55	49.00	96.520	
Corn	Mar	152.26	152.35	169.09	Dollar Index	Mar	95.09	92.99	80.55	
Ethanol	Mar	38.25	36.19	45.54	DJIA	Mar	17,720	17,348	15,905	
Oats	Mar	188.20	187.23	256.94	<i>New crop Canola</i>	Nov	436.10	426.60	459.30	
Data points in red are 12-month highs, in blue are 12-month lows					<i>New crop SRW wheat</i>	Dec	204.20	204.94	220.00	
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					<i>New crop corn</i>	Dec	164.26	163.28	176.96	

**COMMENT:** Currency exchange rates were the central issue for markets this week. The European central bank belatedly accepted the need for “quantitative easing” which pressured the euro resulting amongst other things in the Swiss central bank removing the franc’s peg to the euro and the US dollar rising against most other currencies. The US dollar index ended the week well above any levels seen in the last five years. The Canadian dollar was lower. The strength of the US dollar pressured US wheat prices even with improved export sales data. The same issue was, of course, with the weakness in the Canadian dollar supportive for Canadian prices. While corn prices appeared to benefit from last week’s positive export sales report, there was mixed opinion on the potential follow through. US soybean complex prices seemed to be increasing under the influence of the imminent South American harvest. Last week’s export sales report was particularly disappointing. Canola prices were again higher even with US soybean prices lower. Support came from the weaker dollar and limited farm sales.

**NEWS:** The range of estimates of the size of Brazilian soybean crop, which is close to maturity, is wide. From 92M to 96M tonnes has been cited with the USDA’s early January estimate at 95.5M tonnes. It seems, however, almost certain it will be a record crop and well above last year’s 86.7M tonne crop which was also a record. The USDA estimated the Argentinean crop at 55M tonnes only slightly larger than their 2014 crop of 54M tonnes with politics rather than crop conditions likely being a limiting factor. The USDA forecasted South American corn crops slightly small than a year ago – 75M tonnes against 79.3M tonnes last year for Brazil, and 22M tonnes against 25M tonnes for Argentina. Whereas combined Brazilian and Argentinean soybean crops far exceed US soybean production, their combined corn crops are only a fraction of US output.

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.

Trends in US export sales for last week were divergent. Wheat and corn sales of 0.458M and 2.185M were above levels reported in recent weeks. For soybean net sales were a mere 14,100 tonnes, with cancellations almost offsetting new sales. Switching from “unknown” to specified destinations was a prominent feature.

**OPINION:** The federal government does not provide information on its monitoring of its railway movement mandates but the sum of country elevator, process elevator and producer car movements published weekly by the Canadian Grain Commission is probably a good indicator. During the spring and early summer when there was plenty of grain to move, it would appear that the railways were able to meet the mandates handily. In the late summer and fall when supplies were less abundant, it seems it was more of a challenge for them. The single week when the federal government claims both railways were in default was the week when country elevator stocks were at their lowest level of the year. Current targets, winter weather permitting, should be easier on the railways, if the grain is made available.

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