

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	18-Dec-15 Year ago
SRW Wheat	Mar	178.85	180.23	232.31	Soybeans	Jan	327.85	319.95	378.65
HRW Wheat	Mar	177.20	177.29	244.72	Soya Meal	Jan	254.91	248.29	329.75
HRS Wheat	Mar	186.02	187.03	236.45	Soya Oil	Jan	673.09	691.39	704.84
CWRS Wheat	Spot	241.20	242.54	233.28	Canola	Jan	474.80	476.40	442.40
CPS Wheat	Spot	208.63	213.78	193.31	Crude Oil(WTI)	Jan	36.03	35.65	57.48
Corn	Mar	147.43	147.73	161.61	Dollar Index	Mar	98.81	97.64	89.84
Ethanol	Jan	37.04	38.65	41.45	DJIA Mini-sized	Mar	17,132	17,300	17,761
Oats	Mar	146.71	150.76	201.33					

Data in red are 12-month highs, in blue are 12-month lows For price specs. go to: [www.open-i.ca/PriceSpec.htm](http://www.open-i.ca/PriceSpec.htm)

**COMMENT:** Following the very widely anticipated hike in the US Federal Reserve's interest rate by 0.25 percent, the first such increase in almost a decade, the US dollar exchange index rose and the Canadian dollar exchange rate fell. The former pressured US prices, the latter supported Canadian prices. An Argentinean devaluation was also cited as pressuring most grain markets.

Demand for US wheat in the international markets in particular was not helped by currency adjustments.

South American weather, perceived to be unfavourable for corn and soybean crop development was cited as supporting US corn and soybean prices.

**NEWS:** Current crop year US export sales of wheat, corn and soybeans last week totalled 0.320M, 0.579M and 0.888M tonnes. Wheat sales were in the middle of the range of trade expectations and cumulative sales for the crop year to date are almost exactly where they were last year at this time, relative to USDA export projections for the full crop year. Corn sales were slightly below the range of trade expectations. The pace of exports sales appears to be trailing the rate necessary to meet USDA's export projections. Soybean exports sales were within the range of trade expectations. The rate of exports trails that needed to meet forecasts but by less has been the case in recent months.

**OPINION:** With the easing of the Canadian grain movement situation, Prairie price basis against outside markets have narrowed. They are probably now back to a normal level, as indicted by levels

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that existed in the summer of 2013 before the massive harvest of that year.

The levels illustrated are probably indicative rather accurate in any particular situation. They are calculated from elevator prices reported to Alberta Agriculture. Understandably grain companies conventionally provide premiums on these prices in situations where terms of purchase facilitate their handling of the grain.

In a worst case scenario not having adequate on farm storage cost farmers up to \$100 per tonne at times during the 2013-14 crop year. The reality on this is that any crop moved at these discounts was probably unanticipated supplies resulting from exception yields.

Any decision to invest in farm storage to accommodate exceptional yields is likely to be very dependent on individual circumstance.

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