

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	8-Jan-16 Year ago
SRW Wheat	Mar	172.05	172.70	207.14	Soybeans	Mar	317.93	317.56	386.64
HRW Wheat	Mar	173.71	172.15	220.65	Soya Meal	Mar	243.75	240.85	316.69
HRS Wheat	Mar	183.54	181.24	221.66	Soya Oil	Mar	653.47	677.95	742.54
CWRS Wheat	Spot	239.47	n/a	212.73	Canola	Mar	481.30	476.50	452.20
CPS Wheat	Spot	202.76	n/a	177.08	Crude Oil(WTI)	Mar	34.27	38.25	48.36
Corn	Mar	140.54	141.23	157.57	Dollar Index	Mar	98.59	98.77	92.19
Ethanol	Mar	35.85	37.94	39.28	DJIA Mini-sized	Mar	16,398	17,401	17,770
Oats	Mar	136.65	140.71	196.63	Canola	Nov	490.20	488.40	434.50
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Wheat	Dec	188.68	186.48	216.70
Data in red are 12-month highs, in blue are 12-month lows					Corn	Dec	150.78	150.779	165.94

**COMMENT:** It has not been an encouraging start for 2016. Equity markets fell sharply on Monday following a disappointing Chinese economic report and adverse political developments in the Middle East. Most agricultural markets, however, had recouped their losses by the end of the week. While Christmas week export sales data for wheat was disappointing, Canada and the US were reported for have featured in Asian market sales this week. Corn prices were almost certainly pressured by lower crude oil and ethanol values. Some recovery in the soya complex later in the week was cited as a reaction in some recovery in Chinese stock prices.

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

On Tuesday the USDA will be reporting on final 2015 production estimates, Dec. 1 grain stocks which will provide an early indication of this crop year's feed use, and 2016 winter wheat area, which together with other ongoing developments will result in revisions in its domestic and global supply and demand forecasts for 2015-16 crop year.

**OPINION:** While we will avoid making any suggestions as to the direction of exchange rates at least in the short term, we will not entirely duck the issue. The Canadian dollar is at its lowest level since 2003 having relatively recently fallen below the low of 2009. There appears to be a consensus that this is the result of the impact on lower crude oil prices on the Canadian economy. The

supposition might be that the exchange rate will only move up with higher crude oil prices.

We will note, however, that in 2002 with the benefit of a discounted dollar the Canadian economy was growing at a rate of about four percent per year, while the US was growing at one percent. And in 2009 Canada unlike the US was able to avoid a recession. More than oil patch investment was almost certainly involved and one wonders when the balance of the Canadian economy will react to the evident stimulus of the lower dollar and, indeed, reduced energy and low interest costs. For the moment farmers will benefit from the price support provided by the lower dollar on the value of crops in the bin. But eventually increased input costs will erode those benefits by the same process as crop prices were supported.

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## U.S. Dollar

