

| Crop and Related Prices  |       |           |           |          | Oilseeds & Other Prices |       |           |           |                    |
|--|-------|-----------|-----------|----------|-------------------------|-------|-----------|-----------|--------------------|
| Commodity  | Month | This week | Last week | Year ago | Commodity               | Month | This week | Last week | 27-Jan-17 Year ago |
| SRW Wheat  | Mar   | 154.51    | 157.36    | 176.10   | Soybeans                | Mar   | 385.54    | 392.15    | 324.17             |
| HRW Wheat  | Mar   | 159.56    | 162.78    | 173.43   | Soya Meal               | Mar   | 311.15    | 316.32    | 247.11             |
| HRS Wheat  | Mar   | 205.77    | 208.89    | 183.72   | Soya Oil                | Mar   | 755.55    | 774.95    | 680.81             |
| CWRS Wheat   | Spot  | 233.71    | 238.86    | 236.60   | Canola                  | Mar   | 517.90    | 519.60    | 475.40             |
| CPS Wheat  | Spot  | 168.64    | 172.51    | 204.16   | Crude Oil(WTI)          | Mar   | 53.19     | 53.23     | 33.72              |
| Corn   | Mar   | 142.71    | 145.56    | 146.45   | Dollar Index            | Mar   | 100.56    | 100.85    | 99.61              |
| Ethanol  | Mar   | 39.68     | 40.15     | 37.71    | DJIA Mini-sized         | Mar   | 20,027    | 19,723    | 16,293             |
| Oats   | Mar   | 164.21    | 170.37    | 128.71   | Wheat                   | Dec   | 177.01    | 180.78    | 188.40             |
| Data in red are 12-month highs, in blue are 12-month lows  |       |           |           |          | Corn                    | Dec   | 153.24    | 155.80    | 154.81             |
| For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a> |       |           |           |          | Canola                  | Nov   | 505.10    | 505.30    | 489.70             |

**COMMENT:** US wheat export sales last week exceeded trade expectation but an absence of adverse weather reports for northern hemisphere winter wheat crops kept prices on the defensive. Increasing US ethanol stocks weighed on corn prices, which were otherwise supported by weekly export sales exceeding trade expectations. With the continued pause in the pace of export sales and improved weather forecasts for South American crops, soybeans prices drifted lower all week.

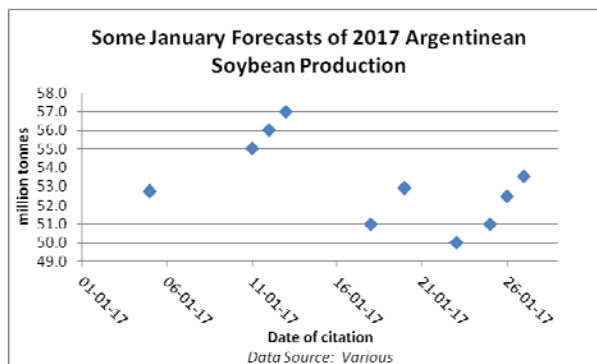
**NEWS:** CGC weekly data indicated a pickup in farmer deliveries last week with more moderate Prairie temperatures. Rising long term daily average temperatures suggest that the very worst of winter – extreme cold weather, may be over on the Prairies, but variable mountain weather – snow, may continue to challenge the railways. Farmer deliveries of all crops of 1.3M tonnes were the highest since October, one week in early December excepted. The resulting increase in commercial supplies should allow exports and domestic disappearance to continue to keep pace with a year ago.

**OPINION:** Fresh estimates of South American corn and soybean crops are being cited on almost a daily basis. Interest has focused on the excessively wet weather in certain Argentinean growing area and its impact on soybeans plantings and final harvest. Soybean and canola markets seemed to have benefitted from this earlier in the month but less so more recently with weather forecasts for drier Argentinean conditions.

With a very limited understanding of the dynamics of Argentinean farmers’ decision making some Northern Hemisphere experience may be illuminating. Certainly significant areas of east central SK in 2010 and south western MB in 2011 were left unseeded due very wet filed conditions. And it is worth noting that we are in the equivalent of late July in northern hemisphere season terms. The US experience, however, seems somewhat different. A late wet spring normally results in a larger area of soybeans, which are a shorter season crops, relative to corn. Further, in some areas of the US soybeans are double cropped, being seeded after a wheat harvest.

Without much of an understanding of what Argentinean farmers are facing or indeed when the forecasts of production were made as opposed to reported, it is difficult to make too much of them for the balance of the season.

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