

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					25-Jan-19			
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago				
SRW Wheat	Mar	191.07	190.24	162.04	Soybeans	Mar	339.97	336.85	362.11				
HRW Wheat	Mar	187.21	185.92	162.78	Soya Meal	Mar	284.76	285.84	304.53				
HRS Wheat	Mar	211.19	211.00	225.98	Soya Oil	Mar	662.07	639.58	722.92				
CWRS Wheat	Spot	262.62	260.66	238	Canola	Mar	488.50	484.20	493.70				
CPS Wheat	Spot	237.06	232.60	187.92	Crude Oil(WTI)	Mar	63.62	54.08	66.09				
Corn	Mar	149.70	150.29	140.35	Dollar Index	Mar	95.55	95.98	88.91				
Ethanol	Mar	34.10	33.52	36.46	S&P 500	cash	2,664	2,663	2,873				
Oats	Mar	188.69	193.72	172.48	Wheat, SRW new crop	Dec	203.47	202.09	183.26				
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn, new crop					Dec	158.75	162.89	153.34
Data in red are 12-month highs, in blue are 12-month lows					Canola, new crop					Nov	500.40	498.40	502.00

**COMMENT:** The relative strength in wheat price appears to be the result of increasing confidence that the flow of competing wheat from Black Seas ports will soon slow down. Further some US wheat was bought by Egypt. An International Grains Council (IGC) estimate, placing this year's global wheat production 4 percent below last year but a 2 percent recovery next year, did not appear to have much effect on prices. Corn prices were slightly lower with little change in the fundamentals – concern over South American output, continuing good demand reflected in favorable export inspection, and forecasts for lower ending stocks confirmed by the IGC and lower US 2019 planted area private forecaster. Higher vegetable oil values support soybean prices and possibly a resolution of the trade situation is inching closer. Canola naturally benefitted from this. Prairie wheat basis appears to continue to improve

**NEWS:** This Friday afternoon Ag Canada published its January Outlook for Principle Field Crops with its first preliminary perspective for the 2019-20 crop year and some trade related revisions to its December outlook for 2018-19. Looking ahead to the 2019-20 Ag Canada sees farmers again reducing summer fallow and hence increasing seeded and harvested area. With an average yield expectation, the production forecast is further raised. The aggregate crop export forecast is a little higher than this year but domestic use a little lower. The ending stock forecast 15.2 mmt is about 6 percent above the current forecast for this year, but 5 percent below that forecast 12 month ago, and 3 percent below the 2018 ending stocks estimate. At first glance it is a rather neutral outlook. Expect further comment next week.

With Trump's agreement to a three-week truce on the partial US government shut down, some USDA reports are likely to be scheduled next week.

**OPINION:** It's squeaky wheel season for the railways. And we are not speaking of the sound of loaded railcars negotiating tight bends. But rather of various industry representatives complaining about some injustice they perceive that they have

received from the railways on rail car allocation, service or such. With lots of experience of this, the railways no doubt keep the grease gun well loaded, so they can administer the necessary favours to deaden the racket. Farm interests have been quiet. This is probably because rail movement has been well above levels of recent years. During a recent five-week period almost six million tonnes of crop were exported or moved to domestic markets, over 10 percent above the year earlier. This mid December to mid January period probably covers the worst of winter and follows the closure of lake navigation after which export movement is almost entirely dependent on routes through the mountains to the west coast. And, of course, it covers the Christmas season. Some might suggest relatively mild weather conditions have resulted in a good level of producer deliveries to country elevators, plenty of crops in commercial positions available for movement, and easier than usual winter railroading conditions. Others that relatively light US export programs mean grain cars have been available to divert north of the border. And yet others that the railways have learned that grain rail cars squeak the loudest and taken necessary precautions.

David Walker, Edmonton, AB, CA

