

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	209.62	207.42	190.24	Soybeans	Mar	341.63	347.60	336.85
HRW Wheat	Mar	181.61	181.79	185.92	Soya Meal	Mar	272.69	275.32	285.84
HRS Wheat	Mar	205.77	205.12	211.00	Soya Oil	Mar	735.27	757.31	639.58
CWRS Wheat	Spot	239.52	241.74	260.66	Canola	Jan	481.00	484.00	484.20
CPS Wheat	Spot	215.45	219.08	232.60	Crude Oil(WTI)	Mar	58.63	58.97	54.08
Corn	Mar	153.24	151.86	150.29	Dollar Index	Mar	97.37	97.07	95.98
Ethanol	Mar	36.53	36.01	34.29	S&P 500	cash	3,325	3,270	2,663
Oats	Mar	202.14	200.04	193.72	Canola, new crop	Nov	497.80	498.80	498.00
Data in red are 12-month highs, blue are 12-month lows, green revised					Wheat SRW, new crop				
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn, new crop				

**COMMENT:** Wednesday's signing of Phase One of a trade deal between the US and China removed the uncertainty over whether it would be signed, but left the implications still uncertain with the Chinese noting their purchases would be "based on market conditions." Much of the losses on the day of the signing were subsequently recouped leaving prices generally in ranges that existed before the signing.

Wheat prices were mixed from a week earlier with demand seen as improving and concern over overseas harvests.

For corn improved export data was supportive while rain in Brazil weighed. A growing scepticism over the resolution of trade differences between the US and China weighed on soybean prices. A lack of farmer selling was supportive of canola prices although lower Malaysian palm oil prices weighed.

**NEWS:** Coming out of the Christmas break, slowing export movement is increasingly evident. CGC export data to week 23, weekend January 12, suggests exports are currently running 11 percent below year ago levels. At the same time domestic disappearance - a source of growth in recent years, is on a par with a year ago. The pace of export and domestic disappearance combined is running 8 percent below a year ago.

While farmer deliveries into the system are running 4 percent above 2018-19, this is due mainly to the build in commercial stocks which had been depleted prior to harvest and new crop supplies becoming available. Commercial stocks are not very much higher than is usual for this time of year. This probably suggests that the trade does not have much in the way of above average business on their books.

Naturally the situation varies from crop to crop. But with pulses, durum and canola better movement appears to be

a reflection of improvement from poor movement a year ago. For barley and oats it represents continued growth. The loser has been wheat which is still a big chunk of overall business.

It also needs to be noted that overall crop supplies this year are lower than those of last year, so matching last year's use data would require a draw down in stocks to a level not seen since 2016.

**OPINION:** While very immediate prospects for crop movements do not appear very favourable, a longer term perspective is more positive. Exports only trail a five-year average by 3 percent and domestic disappearance leads by 13 percent. The salient feature here is the growth in domestic disappearance which includes crops processed with products being exported. It is an indication of success in value adding particularly for canola.

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