

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	225.79	211.46	195.66	Soybeans	Jan	426.32	427.33	333.45
HRW Wheat	Mar	213.57	199.25	162.68	Soya Meal	Jan	344.99	349.71	269.33
HRS Wheat	Mar	209.44	202.28	194.10	Soya Oil	Jan	843.08	846.83	718.73
CWRS Wheat	Spot	253.78	251.27	225.78	Canola	Jan	593.60	593.10	460.60
CPS Wheat	Spot	233.46	228.93	203.43	Crude Oil(WTI)	Jan	46.62	46.09	59.99
Corn	Mar	166.72	165.54	149.99	Dollar Index	Mar	90.90	90.73	96.75
Ethanol	Mar	35.21	34.87	37.20	S&P 500	cash	3,660	3,689	3,169
Oats	Mar	214.79	198.74	192.74					

Data in red are 12-month highs, blue are 12-month lows, green revised

For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: Wheat prices were supported by a mildly positive USDA S&D report, better than expected US export sales data, rumours of Russia considering export taxes to control domestic prices, and, for US hard red winter wheat, relatively poor crop conditions. For corn USDA data was disappointing without an increase in the export forecast. But current corn export sales data was supportive. As with corn and increase in the export sales was expected and did not occur. Also soybean export sales data has been limited. End use canola demand continues to be reported as firm despite price increases and futures trade volume has been unusually heavy.

NEWS: With no fresh supply side estimates the USDA December revisions to US supply and demand(S&D) forecasts were limited to adjustment in use expectations. For global projections there were some late adjustments in Northern Hemisphere output and some early estimates for Southern Hemisphere crops – December there is about equivalent to June here.

For **US wheat** adjustments were limited to trade expectations which resulted in a small, 2 percent, reduction in ending stocks which are now forecast 16 percent below beginning stocks. The **world wheat** supply forecasts included larger supplies – mainly more Australian wheat, increased use particularly feeding in China, but ending stocks revised down by about one percent. These are now put at about 5 percent above beginning stocks and still at a record level.

US **corn** data was unchanged from the October forecasts. After offsetting adjustments the **global coarse grain** supply estimate is about unchanged from a month ago. An increase in Chinese use appears to account for most of the increase in overall use. The ending stock forecast was lowered by slightly less than one percent and now stands at about four percent below beginning stocks.

The only adjustment in **US soybeans** use was an increase of less than one percent in the domestic crush. The export forecast has not been adjusted since a 3.5 percent increase two months ago. Ending stocks were lowered by 8 percent and are now placed at just one third of beginning stocks. **The global oilseed production** estimate was lowered slightly and, with use

unchanged, ending stocks were lowered less than one percent, now 12 percent below starting stocks. South American soybean crop potential is always a focus at this point in the year. USDA lowered its Argentinean crop estimate by 2 percent of 50 million tonnes while the Brazilian crop was left unchanged at 133 million tonnes. Both are up about 5 percent from a year ago.

OPINION: Some of this month's USDA projections, particularly for soybeans, came not only as a surprise but also from a surprising direction. Typically major adjustments occur on the supply side as a result of changes in crop estimates. Use revisions typically occur more gradually and are often contingent on changes in supply. This month's surprise was from US soybean exports which for a second successive month were not raised despite favourable weekly data on export sales and movements. When surprised it is safest to conclude that the source of the surprise knows more than you do. Perhaps we will learn more from the January revisions.

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