

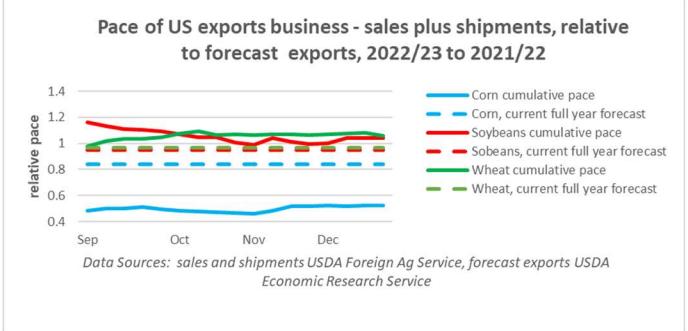
Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index				30-Dec-22
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	291.01	285.13	283.20	Soybeans	Jan	558.23	543.44	488.24
HRW Wheat	Mar	323.35	321.14	294.50	Soya Meal	Jan	433.85	413.03	373.47
HRS Wheat	Mar	345.03	341.99	360.83	Soya Oil	Jan	1,406.82	1,453.56	1,241.25
CWRS Wheat	Spot	n/a	439.46	n/a	Canola	Jan	858.40	868.70	1,012.80
CPS Wheat	Spot	n/a	416.03	n/a	Crude Oil(WTI)	Mar	80.41	76.69	75.02
Corn	Mar	267.11	259.44	233.65	Dollar Index	Mar	103.27	104.09	95.62
Oats	Mar	238.13	235.64	442.87	S&P 500	cash	3,805	3,836	4,781
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					SRW Wheat	Dec	301.58	295.61	282.93
Data in red are 12-month highs, blue 12-month lows, green revised					Corn	Dec	240.44	236.90	214.95
					Canola	Nov	829.60	829.60	771.70

**COMMENT:** Wheat reacted positively to US export sales towards the high end of pre report expectations on Friday. Russia was reported to be raising its wheat export tax, normally a move to control domestic prices in the context of tightening supplies. Corn and soybean prices are being influenced by crop development prospects in Argentina and Brazil which were not entirely favourable. US export sales data was within the range of pre-report expectations.

**NEWS:** The USDA weekly export sales report listed wheat, corn and soybean sales of 478, 782 and 706 thousand tonnes for the week leading up to Christmas. For corn and soybeans sales were in mid-range of pre-reported expectations, but for wheat they were towards the top of the range of expectations.

For wheat and soybeans US export business – sales plus shipments, is slightly ahead of last years pace suggesting that at this time current exports for the year as a whole will be met. Wheat business is running six percent above a year ago compared to forecasts for the year as a whole three percent below a year ago. Soybean business is running four percent above a year ago with the forecast for the crop year exports five percent below last year.

For corn the situation is not as positive. Export business at the current time is running 47 percent below last year's pace but the export forecast for the crop year is 16 percent below last year. And the gap does not seem to be narrowing. It is, of course, early days. Because of its poor 2022 harvest, the EU may need to buy genetically modified US corn particularly if South American crops disappoint and/or supplies from the Black Sea region dry up.



Or the USDA's corn export forecast may be lowered.

**OPINION:** An issue for the moment is the direction of inflation particularly as it effects central bank decisions to raise interest rates to reduce economic activity and hence demand.

Two elements beyond the control of the central banks are food and energy. The prices of these two wild cards at this point in time are being determined by supply factors and particularly hostilities in the Black Sea region.

In a price context the news here is positive. Both crop and crude oil prices are close to or below those of a year ago and before developments got disruptive in eastern Europe. This suggests that the two wild cards, the cost of food and energy, will be assisting the activity of the central banks in controlling inflation. The need for increases in interest rates will be less than they might otherwise be.

David Walker, Edmonton, AB, CA

