

Grain and Related Prices					Oilseeds & Other Prices					28-Nov-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Dec	212.10	200.99	245.27	Soybeans	Jan	373.32	381.77	484.18	
HRW Wheat	Dec	234.06	221.93	260.61	Soya Meal	Jan	332.29	333.11	397.79	
HRS Wheat	Dec	228.46	214.31	259.96	Soya Oil	Jan	711.90	723.14	892.02	
CWRS Wheat	Spot	223.96	221.09	212.62	Canola	Jan	425.30	431.00	490.50	
CPS Wheat	Spot	178.21	169.57	179.25	Crude Oil(WTI)	Jan	65.99	76.48	93.240	
Corn	Dec	148.61	145.86	167.12	Dollar Index	Dec	88.41	88.37	80.83	
Ethanol	Dec	55.48	54.47	41.84	DJIA	Dec	17,812	17,785	16,002	
Oats	Dec	190.96	211.87	215.92						

Data points in red are/were 12-month highs, in blue are 12-month lows For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: The dramatic slide in energy price following OPEC’s decision not to cut crude oil production on Thursday when the US was celebrating Thanksgiving appeared to have had varying impacts on grains and oilseed markets. Losses in the soya complex and particularly for soy oil on Friday more than wiped out gains made earlier in the week. For corn supportive demand news earlier in the week supported prices and a positive export sales report offset much of the pressure implicit from lower crude oil prices on ethanol demand. US wheat prices were higher with larger than expected export sales last week confirming perceptions that demand is improving. Concern over potential winter kill on European and North American wheat crops was also supportive.

NEWS:

November revisions to Ag Canada’s October 2014-15 supply and demand forecasts were limited. In aggregate a small cut in beginning stocks and domestic consumption was largely offset by lower exports with ending stocks only slightly increased at the lowest level in at least 20 years. All crops are forecast to have relatively modest ending stocks.

The revision for wheat included a 0.5M tonne cut in exports with domestic use up 0.3M tonnes and ending stocks up 0.2M tonnes. For corn both beginning and ending stocks were cut 0.1M tonnes. And for dry peas an increase in exports of 0.1M tonnes was offset by a 0.1M tonnes cut in ending stocks.

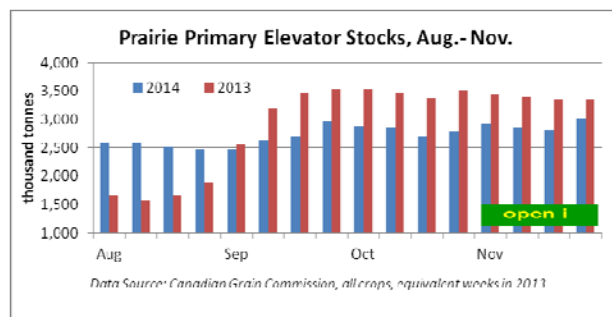
Prairie primary elevator stocks rose last week above the 3.0M tonne level for the first time since May as a result of an increase in farmer deliveries. The cause of the latter is unclear but higher prices may have helped. The November 23 USDA crop progress report, the last until April, placed the winter wheat crop down two percentage point in terms of good and excellent reports at 58 percent, slightly lower than last year’s 62 percent but above the 5-year average of 51 percent. The crop was reported 92 percent emerged, the same as last year but ahead of an 89 percent five-year average.

How the conflicting factors of improved moisture conditions of previous weeks and cold weather more recently have played out is difficult to divine.

OPINION: A year ago with the dramatic widening of price basis accompanying a surge in production and demand for transportation, we advocated consideration of further deregulation of the transportation system. Five months later in March just as the challenges were about sorted, the powers that be decided to head in the opposite direction. After seven months of experience, we hope that those powers have decided that the railways can do a better job of managing such challenges than they can. Comfort is taken from the absence of any news release on the Ag Canada website extending the Order-in-Council that mandated grain movements to November 29. Realistically any renewed mandate would need to have reduced the minimum movement specifications due to limits on crops available for movement. And this would not have been politically acceptable. Letting the issue quietly die seems to have been the selected strategy.



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