

Grain and Related Prices					Oilseeds & Other Prices					5-Dec-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	218.26	212.56	239.20	Soybeans	Jan	380.67	373.32	487.03	
HRW Wheat	Mar	234.89	235.16	255.55	Soya Meal	Jan	332.38	332.29	387.72	
HRS Wheat	Mar	228.92	226.43	250.23	Soya Oil	Jan	707.27	711.90	892.68	
CWRS Wheat	Spot	229.28	223.96	200.77	Canola	Jan	422.70	425.30	471.00	
CPS Wheat	Spot	183.75	178.21	173.00	Crude Oil(WTI)	Jan	65.74	65.99	97.880	
Corn	Mar	155.50	153.04	170.96	Dollar Index	mar	89.35	88.60	80.49	
Ethanol	Mar	42.88	43.67	45.83	DJIA	Dec	17,930	17,744	16,015	
Oats	Mar	202.79	198.74	212.68						

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: With better than expect US corn export sales data for last week, US corn futures prices recovered late in the week from losses sustained earlier.

Wheat prices advanced on Monday on news that Russia might restrict wheat exports, but as this became less certain, prices backed off, with disappointing export sales also weighing on values. A strong US dollar and favourable Brazilian weather were cited as pressuring soybean prices but good export demand confirmed by US export data, both weekly and daily, was supportive, particularly on Friday. The latter more than offset the impact of the bearish StatsCan production estimate for canola, but canola was down on the week with soybeans up.

NEWS: Statistics Canada increased its production estimates for most major crops in its November report. The July, September and November estimates for all major grains and oilseeds were, respectively 75.1M, 74.9M and 77.8M tonnes. These compare with 95.4M tonnes last year and a 75.6M tonne five-year average. Production of wheat, durum, canola, oats and lentils were raised by 7, 9, 10, 8 and 5 percent, respectively. Soybean production estimate was lowered by 10 percent.

Canadian Production – Nov. estimate

	000 tonnes	Nov/Sept percent	2014/2013 percent
All wheat	29,281	107	78
Spring	21,222	106	78
Durum	5,193	109	80
Winter	2,867	103	76
Canola	15,555	110	87
Corn	11,487	101	81
Barley	7,119	100	70
Soybeans	5,359	90	103
Field peas	3,445	98	90
Oats	2,908	108	75
Lentils	1,837	105	98
Flaxseed	847	92	119
Total	77,839	104	82

OPINION: While Stats Can upward revision in its November production estimates were not insignificant, the 2014 crop is much smaller than last year's and more in line with longer term trends. It certainly confirms that last year's crop was not a "new norm" as some suggested, even if an encouraging upward trend in yields is evident. The 2014 yields of the seven major Prairie crops were all records last year and it was evident that the weather was not only favourable in all regions but for all crops. What we have this year looks normal even if it is almost 20 percent smaller than last year.

It is evident that the marketing system will be able to handle the 2014 harvest and the carryover from last year with ease and farmers should not face more than momentary market congestion. The federal government did, however, against expectations, extend its mandated grain movements program making the announcement last Saturday, the last day of the previous mandate. Was the last minute announcement a result of indecision?



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