

Grain and Related Prices					Oilseeds & Other Prices					12-Dec-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	222.85	218.26	231.03	Soybeans	Jan	384.80	380.67	487.76	
HRW Wheat	Mar	233.05	234.89	247.10	Soya Meal	Jan	332.93	332.38	392.57	
HRS Wheat	Mar	228.09	228.92	242.69	Soya Oil	Jan	713.44	707.27	878.13	
CWRS Wheat	Spot	225.67	229.28	182.21	Canola	Jan	439.80	422.70	439.90	
CPS Wheat	Spot	180.05	183.75	152.8	Crude Oil(WTI)	Jan	57.66	65.74	96.910	
Corn	Mar	160.42	155.50	167.51	Dollar Index	mar	88.56	89.35	80.38	
Ethanol	Mar	42.37	42.88	42.29	DJIA	Dec	17,435	17,930	15,700	
Oats	Mar	202.63	202.79	220.46						

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](http://www.open-i.ca/PriceSpec.htm)

**COMMENT:** The USDA December forecast for global wheat ending stocks was above trade expectation which pressured markets even as trade expectation for US ending stock figure was on the button. A subsequent favourable export sales report supported prices. The chance of Russian exports being restricted has been fully discounted.

US corn prices continued to advance with both US and global corn ending stock forecasts below trade anticipations. Last week's US export sales were above trade expectations. Ethanol use demand was also supportive.

Soybean prices also increased benefitting from higher vegetable oil values which also supported canola prices. The increase in USDA projection of US soybean exports was considered bullish but it was overshadowed by an increased in Brazilian soybean production estimate on the same day.

**NEWS:** December revisions to the USDA supply and demand projections were modest. For wheat a 270,000 tonne increase in US imports of Canadian durum is expected to increase ending stocks by the same amount. The US will again be a net importer of durum. Globally wheat output estimates were raised by 2.3M tonnes mainly as a result of the upward revision in the Canadian crop. The USDA expects global wheat consumption to be down slightly and ending stocks up 2.0M tonnes at 194.9M tonnes, which is still below the 2012 carryover. US corn use for sweeteners was raised by 250,000 tonnes which resulted in a similarly small cut in ending stocks. Small adjustments in the production of a variety of coarse grains result in global coarse grains output being raised by 1.6M tonnes. But this was more than offset by increased use, mostly at the expense of wheat. Ending stocks of coarse grain were projected to be down by 1.5M tonnes.

US soybeans export projections were raised by 1.1M tonnes reflecting the record pace of export sales to date with yearend stocks being cut by the same amount. Global oilseed output was raised by 1.8M tonnes with

the recent StatsCan revision of canola production accounting for much of this. Ending stocks were raised by a similar amount, and at 104.1M tonnes are forecast at a record level.

**OPINION:** With a record pace of export sales of soybeans being reported by the USDA, an assessment of Canadian canola movements seems appropriate. The situation is less clear. In the first place information on actual sales as opposed to physical movement is not available. Also it is necessary to review post harvest as opposed to crop year movement to get a valid indication. Prior to harvest last year use of canola was restricted by limited supplies. Even using post harvest, October and November, shipments may not take full account of some replenishing of supplies, particularly in export channels. Nevertheless exports are running behind year ago pace. In the case of domestic use, having a significant crusher out of commission has without doubt had a very significant impact on the pace of domestic use. It appears, however, that the canola situation is not as promising as that for soybeans. And that is almost certainly a reflection of the strength of the oilseed meal as opposed to vegetable oil market, with soybeans yielding more of the former than canola.



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