

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	13-Nov-15 Year ago
SRW Wheat	Dec	182.16	192.26	205.95	Soybeans	Jan	314.25	318.66	375.71
HRW Wheat	Dec	170.95	180.14	222.48	Soya Meal	Jan	262.62	267.61	331.11
HRS Wheat	Dec	185.47	190.61	216.51	Soya Oil	Jan	602.32	618.20	713.00
CWRS Wheat	Spot	239.53	241.04	224.97	Canola	Jan	473.10	472.30	427.80
CPS Wheat	Spot	203.12	210.39	171.94	Crude Oil(WTI)	Dec	40.91	44.36	76.02
Corn	Dec	141.04	146.84	150.29	Dollar Index	Dec	99.21	99.28	87.56
Ethanol	Dec	38.70	40.23	53.39	DJIA Mini-sized	Dec	17,255	17,799	17,577
Oats	Dec	150.11	145.08	220.14					

Data in red are 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:** US wheat prices were lower with reports of rain in Eastern Europe and largely anticipated increases in USDA projections of ending stocks. Corn prices were lower with projections for lower ethanol use and exports. While Chinese demand for oilseeds continues, Tuesday's USDA reports added to supplies and ending stocks. Prices fell to levels not seen since 2009. Canola prices, however, largely held with strength in the Canadian dollar helping.

**NEWS:** The Tuesday's USDA November production estimates raised corn by less than one percent and soybeans by 2 percent from their October estimates. Both estimates were expected to be higher. The corn estimate was towards the top of the range of trade expectation while that for soybean estimate was beyond the range. Corn production is now estimated at 346.8Mt, down 4% from 2014 but the third highest output on record, and soybean production at a record 108.4Mt was up 1% from last year. Revision to USDA's November US wheat supply and use forecasts were limited to a 1.4M tonne cut in exports and an increase in ending stocks by the same amount. Exports are now expected to be the lowest since 1971/72 and ending stocks the highest since 2009/10. To date US wheat has not been competitive in international markets.

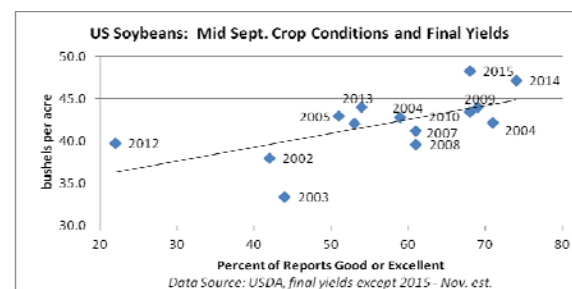
Global wheat supplies are seen as about unchanged, usage up slightly and ending stocks down slightly with the latter at record levels. Canada is seen as the major beneficiary of an increase in trade.

US corn ending stocks have been revised up by more than ten percent with lower exports and reduced ethanol use adding to the higher output estimate. The USDA revised ethanol use as a result of competitive sorghum prices and less favourable export prospects for sorghum. It was difficult to draw much in the way of conclusion from the USDA global coarse grain data as almost 20M tonnes were added to supplies with a revised estimate of

Chinese stocks. As these stocks have been accumulated over several years from less than previously estimated use, Chinese use going forward has been reduced. For US soybeans the increase in the November output estimate is expected to be largely offset by increases in domestic use and exports but ending stocks were raised by about 1.1M tonnes or 10 percent. In a global oilseeds context the upward revision in US soybean output was offset by reduced estimates for other oilseed sources. Global use was raised and ending stocks lowered about 3 percent, 23% below the USDA's May projection, but still 7% above last year's record mark.

**OPINION:** USDA crop estimates continue to surprise the market. That there are revisions to previous estimates is understandable – the further in advance from being in the bin that an estimate is, the more challenging is its making. Late weather developments can also affect outcomes. The most reliable on-going indicator is probably the USDA progress reports which involve 4,000 “subjective evaluations of crop conditions.” The sheer number of these reports creates a degree of objectivity to them. And they do provide a reasonable predictor of yield. But in recent years, at least for soybeans, this predictor has tended to under rate final yields prospects. This may be because crop reporters are less easily impressed, or modern varieties of soybeans do better at producing beans than green that is seen, or less goes out of the back of combines, or indeed something else.

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