

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	27-Nov-15 Year ago
SRW Wheat	Dec	171.14	179.49	212.10	Soybeans	Jan	320.78	315.08	373.32
HRW Wheat	Dec	165.35	167.92	234.06	Soya Meal	Jan	256.18	256.72	332.29
HRS Wheat	Dec	187.39	187.21	228.46	Soya Oil	Jan	633.85	615.11	711.90
CWRS Wheat	Spot	238.79	238.72	223.96	Canola	Jan	463.10	464.40	425.30
CPS Wheat	Spot	200.48	204.66	178.21	Crude Oil(WTI)	Jan	41.77	41.59	65.99
Corn	Dec	141.43	143.00	148.61	Dollar Index	Dec	100.07	99.65	88.41
Ethanol	Dec	38.86	39.63	55.48	DJIA Mini-sized	Dec	17,805	17,786	17,812
Oats	Dec	150.92	162.75	190.96					

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:** Accounting for most of the decline in US wheat prices was Friday’s loss resulting from last week’s US export sales data failing to meet even modest trade expectations. Corn export sales were cited as being good but wheat values appeared to weigh on corn prices. Prospects for a reduction in Argentinean export taxes, improved by their presidential election result, weighed on soybean and corn prices early in the week, but soon seemed over anticipated. Export sales data for soybeans continues solid.

**NEWS:** Significant revisions to Ag Canada’s October 2015-16 supply and demand forecasts included some increases in export forecasts and reductions in ending stocks. Aggregate - all crop, ending stocks are now forecast to be at the lowest level in at least 24 years. For specific commodities, food and industrial use of barley which mainly means malting was raised substantially for both this and last crop year. While the supposition might be that it reflects the increased popularity of craft beers which are heavy users of malt, more likely is a correction in statistical reporting. The same type of adjustment was made for oats. Canola exports were raised 500,000 tonnes and domestic crush by 50,000 tonnes resulting in a cut in ending stocks to 1.1M tonnes which would be the lowest ending stock level since 2012 but may also be subject to revision following next week’s StatsCan production estimate. Corn imports were raised and exports lowered with extra availability adding 100,000 to both domestic use and ending stocks. Lentil exports were raised by 300,000 tonnes or by 16percent and domestic use and ending stocks lowered.

The November 22 USDA crop progress report raised their good/excellent winter wheat crop ratings by a further percentage point and at 53 percent is now three percentage points above the 5-year average but still lags last year’s crop condition at this stage. Only in the Pacific North West are conditions not favourable.

While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.

**OPINION:** The highlight of the AgCan November forecasts of crop supply and disposition is the all crop ending stock forecaste of 9.2M tonnes, which if proven accurate would be the lowest end of season stock figure for at least 24 years. The next lowest end of season stock estimate was that of 9.6M tonnes for 2013 just prior to the outsized 2013 crop. While end of season stocks ballooned by 10M tonnes that year – compared to a 19M tonne increase in production, in retrospect the transportation system has done a good job of moving the extra supplies.

What is probably more striking is that in a year when most other grain producing countries are being faced with an accumulation of year end supplies, Canada is heading in the other direction. Some of this might be a statistical aberration resulting from the diversification of production into lower volume higher value crops but stocks use ratios are also falling. It is also evident that the longer term trend is also lower even if the impact of large crops as in 2013 tends to hide this.

David Walker, Edmonton, AB, CA 

