

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	11-Dec-15 Year ago
SRW Wheat	Mar	180.23	178.02	222.85	Soybeans	Jan	319.95	332.90	384.80
HRW Wheat	Mar	177.29	176.55	233.05	Soya Meal	Jan	248.29	258.45	332.93
HRS Wheat	Mar	187.03	189.05	228.09	Soya Oil	Jan	691.39	707.27	713.44
CWRS Wheat	Spot	242.54	244.80	225.67	Canola	Jan	476.40	474.20	439.80
CPS Wheat	Spot	213.78	207.37	180.05	Crude Oil(WTI)	Jan	35.65	39.99	57.66
Corn	Mar	147.73	150.19	160.42	Dollar Index	Mar	97.64	98.48	88.56
Ethanol	Jan	38.65	39.84	42.37	DJIA Mini-sized	Mar	17,300	17,807	17,435
Oats	Mar	150.76	156.27	202.63					

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:** Most US wheat prices ended up slightly higher over the week with a softer US dollar offsetting disappointing export data and favourable conditions for the 2016 winter wheat crop as it goes into dormancy. Spring wheat prices were slightly lower. While lower on the week US corn prices appear to continue and upward trend. Last week's US export sales exceeded trade expectations. The US soya complex prices were weaker with the prospect of record supplies from South America weighing on prospect but a lower dollar and better than expected export data supportive.

**NEWS:** With no fresh survey reports for the major grains, December revisions to USDA supply and demand projections were limited to minor adjustments to take account of the pace of use of grain where it varied from earlier anticipations. In fact no changes were made to US wheat data. Global wheat production was raised by 2.3M tonnes mainly due to StatsCan's recent upward revision of Canadian output. Global ending stocks are expected to increase by a like amount. Of the 1.6M tonne increase in Canadian output, the USDA expects 1.1M tonnes to be added to Canada's end of season stocks.

The US corn export forecast for the crop year was lowered by 1.3M tonnes which was offset in part by increased ethanol use leaving some increase in ending stocks. Global coarse grain output is expected to decline slightly and use to decline almost as much leaving ending stocks only marginally lower. No adjustments were made to US soybean data. But US soy oil use data was adjusted following last week's US Environmental Protection Agency's biodiesel use mandate announcement. Imports, biodiesel use and export were raised, ending stocks lowered, but domestic crush and other use were left unchanged. Quite what this means to canola prospect is unclear.

The USDA made a variety of output adjustments to various oilseeds around the world including an increase

in Canadian canola output and a reduction in Indian rapeseed. But lower palm oil output from Indonesia and Malaysia were prominent in the two million tonne cut in aggregate production. Offsetting this is a decrease in use particularly in Asia. Ending stocks, expected to be at record levels for a second year, were revised upwards.

**OPINION:** With last week's StatCan revision to 2015 Canadian canola production, prospects are probably worthy of review. With 2014 and 2015 July 31, crop year ending, stocks adequate to sustain consumer needs prior to respective harvests, full crop year, as opposed to harvest to harvest, assessment is appropriate. Crop year canola exports are running 10 percent above a year ago and domestic crush 15 percent ahead of last year. If this pace of use can be sustained for the balance of crop year ending stocks would be reduced to the lowest level since 2013. While this is a relatively positive outlook in terms of use, with a record global supply of oilseeds, price prospects are not as positive. The USDA is currently projecting a decline in average US farm soybean prices for the crop year of 5 to 20 percent from last year. A weak Canadian dollar has probably been critical in canola prices holding well above year ago levels – the premium on the US dollar is now 18 percent above a year ago.

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