

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	24-Dec-15 Year ago
SRW Wheat	Mar	171.78	178.85	224.41	Soybeans	Jan	326.01	327.85	384.89
HRW Wheat	Mar	171.59	177.20	236.72	Soya Meal	Jan	244.02	254.91	344.45
HRS Wheat	Mar	181.88	186.02	232.04	Soya Oil	Jan	680.59	673.09	715.65
CWRS Wheat	Spot	n/a	241.30	n/a	Canola	Jan	480.30	474.80	451.60
CPS Wheat	Spot	n/a	208.20	n/a	Crude Oil(WTI)	Mar	38.08	37.21	55.16
Corn	Mar	143.50	147.43	163.28	Dollar Index	Mar	98.02	98.81	90.33
Ethanol	Jan	37.04	37.04	41.48	DJIA Mini-sized	Mar	17,447	17,132	18,050
Oats	Mar	142.33	146.71	198.42					

Data in red are 12-month highs, in blue are 12-month lows

For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: Most crop futures were lower over the holiday shortened week, the exceptions being canola and soya oil. The wheat market appears to have one eye on the now dormant northern hemisphere winter wheat crop, conditions of which are mixed, and the other on progress with the movement of the 2015 crop. The Egyptian purchase of Argentinean wheat in their most recent tender may be a sign of things to come. US corn prices appear increasingly pressured by the prospect of increased competition from South American sources, but last week's US export sales data was supportive. Perhaps the prospect of this competition intensifying for soybeans after the Christmas break was why the market did not respond positively to last week's robust US soybean export sales data.

NEWS: Ag Canada's December revisions to its Canadian crop supply and disposition forecasts included Stats Can's November estimates of production which added 7.2M tonnes, or 9 percent, to output. Ag Canada added 4.1M tonnes to use including 2.8M tonnes to exports and 3.1M tonnes to its ending stocks forecasts for the current crop year. The ending stock forecast of 12.3M tonnes is about 87 percent of the previous 5-year average ending stocks. In view of the global oversupply situation for grains and oilseeds, this must be regarded as a favourable prospect. The bulk of the increase in exports is for wheat - 1.0M tonnes, and canola - 1.5M tonnes. Domestic use of canola was raised 0.8M tonnes which will result in increases in canola oil and meal exports. Feed and residual use of corn was raised by 0.4M tonnes. Most of the increase in ending stocks was for feed grain and canola. In January Ag Canada will be publishing its first trend projections for the 2016-17 crop year.

US export sales for last week were 0.37M, 0.80M and 2.07M tonnes for wheat, corn and soybeans. For wheat sales were in the middle of the range of trade expectations. For corn they were just above the range

of expectations. And for soybeans well above the range of trade expectations.

OPINION: While the upward revision in Statistics Canada final production estimates has put pay to the prospect of record low 2015-16 crop year ending stocks of Canadian grains, exports will certainly benefit. The last two crop years have seen record exports of Canadian crops, aided by the record harvest of 2013. The 2015 harvest is now only second in size to the 2013 crop. But with reduced beginning stocks total supplies are lower than those of the last two years and, hence, supplies for export are lower. Ag Canada's export forecast is out of necessity below levels of the last two years but way above anything seen in prior years.

Any upward revision in production estimates is usually seen as negative to farm gate prospects. 2015 seems to have been an exception in that respect. We hope that 2016 will be too. Merry Christmas to everyone.

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