

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	29-Jan-16 Year ago
SRW Wheat	Mar	176.10	174.72	184.73	Soybeans	Mar	324.17	322.06	353.11
HRW Wheat	Mar	173.43	173.06	198.51	Soya Meal	Mar	247.11	243.57	299.27
HRS Wheat	Mar	183.72	182.62	204.57	Soya Oil	Mar	680.81	672.43	661.41
CWRS Wheat	Spot	236.60	243.43	201.95	Canola	Mar	475.40	481.70	453.40
CPS Wheat	Spot	204.16	210.45	174.31	Crude Oil(WTI)	Mar	33.72	31.93	47.42
Corn	Mar	146.45	145.76	145.66	Dollar Index	Mar	99.61	99.60	95.01
Ethanol	Mar	37.71	36.40	36.64	DJIA Mini-sized	Mar	16,293	15,965	17,260
Oats	Mar	128.71	133.25	178.64	Canola	Nov	489.70	493.60	435.20
For price specs. go to: www.open-i.ca/PriceSpec.htm					Wheat	Dec	188.40	186.48	195.75
Data in red are 12-month highs, in blue are 12-month lows					Corn	Dec	154.81	154.323	157.77

COMMENT: Wheat markets seemed to have been gripped this week with the uncertainty relating to possible changes in Russian export policy. Whether any decision has been made or is being kept secret for now is not clear. Prairie wheat prices were lower with a stronger dollar. Corn prices tended to follow wheat with last week's export sales described as solid. The cancellation of export sales to China of nearly 400,000 tonnes took the steam out of the market at the end of the week. This cancellation will show in weekly data next week. This week's data, about 0.645M tonnes, was below the level of recent weeks. Canola prices were lower with the stronger dollar and a reported pickup in farmer marketing.

NEWS: Ag Canada updated its outlook for 2015/16 and added its first for the 2016/17 crop year. Revisions to this year's forecasts were limited to adjustments to exports and corresponding revisions in ending stock forecasts, likely prompted by the current rate of export movements relative to earlier expectations. Domestic use projections were largely left unchanged. Exports for durum, other wheat, corn and oats were raised by 100, 500, 200 and 25 thousand tonnes, respectively. For barley and peas exports were lowered by 150 and 200 thousand tonnes.

The very early forecasts for 2016-17, based on economic assessment, account for an anticipated 0.9M hectare increase in seeded area, at the expense of a continued decline in summer fallow. Area seeded to canola, peas and lentils are forecast to rise by 4, 1 and 1 percent, respectively. Increases for other crops are smaller, with wheat virtually unchanged. The supply side of the balance sheets were filled out using trend yields. In aggregate total crop supplies are projected to be down slightly less than 2 percent. Individually supplies of all crops are within the range of recent years except for lentils which are expected to be at record levels.

In aggregate projections for crop use reflect those for supply with only a minor increase in total ending stocks in 2017 from the rather low level currently anticipated for this summer.

For wheat reduced beginning stocks were more than offset by increased output but with lower exports ending stocks are expected to be down only slightly.

For barley the relatively tight supply situation of recent years is forecast to be eased with an increase in both beginning stocks and output only being partly offset by some recovery in exports.

For canola lower carry-in stocks and production are partly offset by forecasts for lower use, resulting in a tighter forecast supply situation.

OPINION: It is natural to compare next year's supply and demand forecasts with the most recent of those for this year, which suggest no great change overall. It is also instructive to compare next year's data with that forecast for this year last January. Larger than anticipated beginning stocks resulted in an overall supply situation for the current year less tight than anticipated last January. In that context the situation does not appear as favourable as a year ago.

David Walker, Edmonton, AB, CA

