Crop Market Summary

For the week ending Friday, 23-Dec-'16

| Crop and Related Prices | | | | | Oilseeds & Other Prices | | | | 23-Dec-16 |
|---|-------|--------------|--------------|----------|---|-------|-----------|--------------|-------------|
| Commodity | Month | This week | Last week | Year ago | Commodity | Month | This week | Last week | Year ago |
| SRW Wheat | Mar | 144.59 | 150.37 | 171.78 | Soybeans | Jan | 363.40 | 380.94 | 326.01 |
| HRW Wheat | Mar | 149.27 | 152.40 | 171.59 | Soya Meal | Jan | 279.40 | 287.66 | 244.02 |
| HRS Wheat | Mar | 195.02 | 199.98 | 181.88 | Soya Oil | Jan | 762.83 | 810.01 | 680.59 |
| CWRS Wheat | Spot | 235.02 | 240.79 | n/a | Canola | Jan | 505.30 | 518.30 | 480.30 |
| CPS Wheat | Spot | 166.39 | 172.32 | n/a | Crude Oil(WTI) | Jan | 52.97 | 51.93 | 38.08 |
| Corn | Mar | 136.11 | 140.25 | 143.50 | Dollar Index | Mar | 103.01 | 102.86 | 98.02 |
| Ethanol | Mar | 40.37 | 40.76 | 37.04 | DJIA Mini-sized | Mar | 19,856 | 19,787 | 17,447 |
| Oats | Mar | 141.68 | 145.25 | 142.33 | | | | | |
| For price specs. go to: www.open-i.ca/PriceSpec.htm | | | | | Data in red are 12-month highs, in blue are 12-month lows | | | | |

COMMENT: All crop and crop product prices were

down this week but none were at their low for the year. The major general indexes/prices were up and at their highs for the year.

US wheat prices were lower all week with the strength of the US dollar, US export sales data below expectations, and warmer weather in the US winter wheat regions lessening concerns over winter kill.

Corn markets were supported to some degree by stronger crude oil prices but this was more than offset by the pressure from the stronger dollars and reports of improved South American crop prospects.

While US soybean export sales data again came in above trade expectation, daily news of sales was disappointing and this together with favourable crop development reports from South America pressured prices. Canola prices followed soybeans down but still hold most of the gains made in October.

NEWS: Ag Canada's December revisions to its

Canadian crop supply and use forecasts included Stats Can's November estimates of production which added 1.1M tonnes, or 1 percent, to output. The forecast for crop year exports was cut by about 0.3M tonnes and domestic use raised slightly more. The ending stocks forecast was raised to 15.1M tonnes, 11 percent above the previous 5-year average but the stocks use ratio of 16 percent is only four percent above the five year ratio.

The theme, at least for western crops, was supplies from record yielding crops being somewhat offset by lower harvested area as a result of the lateness of the crop and some miserable October weather. Where supplies were revised up the increase was added to year end stocks rather than being seen to be exported or used domestically.

In January Ag Canada will be publishing its first trend projections for the 2017-18 crop year.

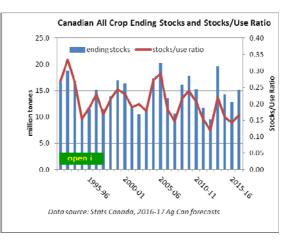
OPINION: The 2016 Prairie crop was a large one and if

harvest had been completed close to that of 2013. That it does not show as such in the aggregated statistics is because the Ontario corn crop, always a big yielder, suffered an early season drought and there has been a shift from corn to lower yield soybeans since 2013. And by Ag Canada's reckoning there is between three and six million tonnes still in the field to be salvaged in the spring.

If the top end of the range is added to the 2016 harvest statistic, this year's crop equals the 2013 crop. If the bottom end of the range is added to the supply statistic there is a bigger supply this year than in 2013. That price basis has not widened as it did three years ago suggests some lessons have been learned.

Merry Christmas to everyone.

David Walker, Edmonton, AB, CA



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