

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	20-Oct-17 Year ago
SRW Wheat	Dec	156.53	161.49	152.12	Soybeans	Nov	359.63	371.21	361.19
HRW Wheat	Dec	155.34	160.30	154.88	Soya Meal	Dec	287.66	298.23	278.04
HRS Wheat	Dec	224.60	225.98	194.38	Soya Oil	Dec	751.80	742.76	774.29
CWRS Wheat	Spot	239.29	237.77	229.01	Canola	Nov	502.20	499.00	502.10
CPS Wheat	Spot	177.95	176.57	171.42	Crude Oil(WTI)	Dec	51.73	51.72	50.82
Corn	Dec	135.43	138.87	138.77	Dollar Index	Dec	93.59	92.94	98.74
Ethanol	Dec	36.59	37.46	40.68	DJIA Mini-sized	Dec	23,260	22,827	18,065
Oats	Dec	174.91	172.97	141.52					

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:** For US commodity prices were generally lower with a stronger US\$ supported by news of likely US tax reform. Canola benefitted from a lower Can\$ and stronger vegetable oil markets supported by US presidential intervention opposing Environmental Protection Agency plans to limit support for bio-fuels.

**NEWS:** There is still crop to harvest in northern Alberta.

For **MB** as of Oct 16: Harvest is essentially complete for cereals, canola and peas and ongoing for corn and sunflowers. For **SK**, as of Oct 16: At 98% harvest is essentially completed compared to a five year average of 94%. Significant moisture is needed to replenish both top and subsoil before next spring. For **AB**, as of Oct 17: Harvesting improved to 86% complete, up 9 points on the week though lagging the 5-year average of 93%. Almost all unharvested crop is in northern regions.

**US corn and soybean** harvests were reported by the USDA to be 28 and 49 percent complete as of October 15, compared to 44 and 59 percent last year and five-year averages of 47 and 60 percent. Winter wheat planting was reported to be 60 percent completed compared to 70 percent last year and five-year average of 71 percent.

Ag Canada reported its October Outlook for Principal Field Crops last Friday. For the 2016-17 crop year data revision are close to being finalized. The biggest revisions were a cut in durum exports of 200k tonnes, most probably a result of direct exports not meeting previous expectations, and an increase in more than 300k tonnes in domestic corn use resulting from an adjustment to accommodate August 31 year ending stocks data.

With an increase in most Stats Can. September 2017 crop output estimates, 4.4M tonnes have been added to 2017-18 total supplies. Ag Canada currently expects 3.2M tonnes of the increase to be exported and ending stocks to increase by 1.4M tonnes or 12 percent above its previous forecast. With quality durum in short supply, all of the 400k tonnes increase in durum supplies is expected to be exported. For other wheat a third of a 1.2M tone increase in supplies is expected to be added to yearend stocks. The same general scenario exists for barley. Most of the increases in oats supplies are expected to be added

to the anticipated carry over. The bulk of the increase in canola, soybeans, peas and lentil supplies are expected to be exported. And the forecast for ending stocks of all these crops do not appear burdensome. More challenging is the situation for corn. An upward revision in domestic use of corn is expected to largely offset the larger harvest but yearend stocks will be at a record level.

**OPINION:** That Stats Can September estimate of 2017 production added almost 5 million tonnes to the previous July total for all Canadian crops is not that unusual. What is quite striking is that Ag Canada anticipated that about two thirds of that increase would be used, mainly for export. A conclusion that could be drawn from this is that prior to the revised production estimate supplies were limiting exports. The best after the fact measure of this is ending stocks which in recent years relative to earlier years have been relatively stable and about mid range of prior experience. At the same time the stocks to use ratio that indirectly factors in the growth in output is at the lower end of long term range and heading in the right direction. While this does not preclude the potential for a one year in twenty sized crop, as was the case in 2013 and was reflected in above trend 2014 ending stocks, interrupting this trend, the mix of Canadian crop production seems to have been readily marketed in recent years.

David Walker, Edmonton, AB, CA

