

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	24-Nov-17 Year ago
SRW Wheat	Dec	152.76	156.99	145.41	Soybeans	Jan	364.96	363.95	384.34
HRW Wheat	Dec	152.30	155.06	151.11	Soya Meal	Jan	298.45	290.29	293.10
HRS Wheat	Dec	229.10	233.32	196.30	Soya Oil	Jan	751.36	762.61	814.42
CWRS Wheat	Spot	257.57	255.42	235.84	Canola	Jan	511.00	519.40	528.20
CPS Wheat	Spot	186.93	182.46	175.44	Crude Oil(WTI)	Jan	58.97	56.57	45.96
Corn	Dec	134.74	135.03	137.49	Dollar Index	Dec	92.71	93.60	101.55
Ethanol	Dec	36.35	37.38	42.56	DJIA Mini-sized	Dec	23,519	23,336	19,147
Oats	Dec	161.62	166.64	135.52					

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:** Grain prices were lower over the US holiday shortened trading week. Disappointing US export sales for the previous week weighed on prices on Friday particularly for wheat. A two point cut in the USDA assessment of US winter wheat condition was supportive earlier in the week. Weather favourable for the last of the US corn harvest and for early South American crop development weighed on US corn values. Supported by stronger protein values, soybean prices were higher. But it seems recent adjustments to US biofuel programs were less supportive of crop markets than expected. The development of a La Nina weather condition in the Pacific which is associated with unfavourable South American crop conditions was cited as positive for prices.

**NEWS:** The November 19 USDA crop progress report lowered their good/excellent winter wheat crop ratings by two percentage point for a second consecutive week. It now stands at 52 percent, down 6 points below last year and one point below a 5-year average.

With no new major reports since its October update, Ag Canada November Outlook for Principal Field Crops contained few revisions. The 2017-18 aggregate crop supply was raised marginally by a small increase in exports. Both exports and domestic use were raised by less than one percent with the ending stocks forecast raised by three percent to the highest level since June, and before the southern Prairie drought, but still slightly below a ten-year average. Forecasts for barley exports were raised by about five percent, due to favourable early season movements, and ending stocks lowered by about 10 percent. Ending stocks are expected to be well below last year's level but within a normal range. The forecast for soybean exports were raised by a little less than two percent, but domestic use was cut by about an equal amount leaving the ending stock forecast about unchanged. Forecasts for field peas are proving particularly challenging to forecast this year. Projections for exports have been cut by a third in three months pushing ending stocks to 23 percent of supplies from next to nothing. Ending stocks will be at a record level and relative to supplies the highest level in at least 20 years.

Lentils supply has increased over the last two months due to an increase in production and increased imports from the US where a large crop is expected. Ending stocks are projected to increase by over 11 percent from last year and will be at the high end of the range of recent years.

**OPINION:** Pulses, and field peas in particular, appear to be the exception to generally fairly robust crop prospects this year. Further, the recent and abrupt deterioration in field pea prospects stems mainly from one development - the imposition of a 50 percent import tax by the Indian government. This has had a disproportionate impact on the Canadian market as India is a dominant market for us.

Past experience suggests that surplus supplies and depressed prices for peas have not lasted long. In an economic context political developments are difficult to anticipate. But in a political context they are probably less so. India is a democracy and the import tax was imposed to protect the interest of Indian farmers. The time will come when the interests of consumers will prevail. In the meantime it is best to be patient.

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