Crop Market Summary

For the week ending
Friday, 08-Dec-'17

Crop and Related Prices

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	153.96	161.12	152.95
HRW Wheat	Mar	153.59	160.76	151.94
HRS Wheat	Mar	224.51	231.49	197.04
CWRS Wheat	Spot	247.34	251.63	237.76
CPS Wheat	Spot	183.86	186.58	167.4
Corn	Mar	138.87	141.23	141.53
Ethanol	Mar	36.19	36.98	42.03
Oats	Mar	156.92	170.70	145.89

Oilseeds & Other Prices

8-Dec-17

Commodity	Month	This week	Last week	Year ago
Soybeans	Jan	363.67	365.33	381.22
Soya Meal	Jan	300.90	299.54	289.20
Soya Oil	Jan	741.22	742.76	814.42
Canola	Jan	505.10	506.10	518.80
Crude Oil(WTI)	Jan	57.33	58.37	51.44
Dollar Index	Mar	93.51	92.58	101.57
DJIA Mini-sized	Mar	24,290	24,209	19,698

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: Wheat markets continue to be pressured by very competitive pricing in the Black Sea region with the Canadian production estimate coming above expectations also weighing on values. Prices are close to their August lows. Reports of heavy harvest-season rain in south eastern Australia may have been supportive. Corn prices were pressured by the upward revision of European production. Soybean prices are being buffeted by rather mixed reports of crop conditions from South America. Favourable export sales reports continue to be supportive, but cumulatively still lag last year's pace. Canola prices were lower with Wednesday's production estimate coming in above expectations but a lower dollar limited losses.

NEWS: The Stats Can November estimate of production of field crop surveyed totalled 93.0M tonnes up from the Sept. estimate of 87.0M and the 2016 estimate of 91.5M tonnes. It is second in size only to the 2013 crop. The harvest estimates for almost all major Prairie crops were raised as the impact on yields of the southern Prairie drought turned out to be less than expected. One exception was oats which tend to feature outside the Palliser Triangle. And corn and soybeans are still principally eastern Canadian crops.

2017 Nov. Production Est.	000 tonnes	2017/2016 % of	Nov/Sep % of
Spring Wheat	22,167	108	110
Durum	4,962	64	115
Winter wheat	2,855	81	104
Canola	21,313	116	108
Corn for Grain	14,095	107	98
Barley	7,891	90	108
Soybeans	7,717	119	93
Dry Field peas	4,112	85	106
Oats	3,724	118	98
Lentils	2,558	79	105
Flaxseed	548	95	109

OPINION: Probably the most striking element of this week's Statistics Canada Prairie crop estimates was that they exceeded pre-reports expectations by quite large margins, at least for those crops where this pre-report data was collected. The pre-report estimates in turn exceeded StatsCan's September estimates which in turn exceeded StatsCan's July estimates.

This year, of course, was a challenging one for yield and thus output estimates because of the drought in southern SK and AB. Farmers were understandably and retrospectively overly pessimistic about yield prospects in July before crops were harvested. And, as StatsCan is dependent upon such assessments, it was also low in July relative its final November estimate made on the basis of what was in the bin or had been moved to market.
Also, of interest is how the September estimate stood up in the context of the recent move to use other than a farmer survey to gather data. If the old September farmer survey had been made, it would have occurred when crops were partially harvested and hence some of the earlier farmer pessimism would have been laid to rest. Estimates somewhere between those of July and November might have been anticipated. This is, of course, where this year's September estimates were.
And for oats, often the exception that proves the rule and not grown much in the drought areas, pessimism appears to have been justified by weather related disruption of harvest.

Does this mean that farmers have the same view of their crops as the satellite on which StatsCan's September estimates are now largely dependent?

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