

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	184.73	187.49	186.20	Soybeans	Jan	337.40	342.09	327.85
HRW Wheat	Dec	153.22	154.88	177.38	Soya Meal	Dec	278.59	276.59	283.94
HRS Wheat	Dec	184.73	190.52	209.90	Soya Oil	Dec	670.89	694.49	607.84
CWRS Wheat	Spot	224.31	226.27	258.88	Canola	Jan	462.50	463.30	476.90
CPS Wheat	Spot	194.02	194.75	214.4	Crude Oil(WTI)	Dec	57.64	57.43	56.46
Corn	Dec	146.15	148.52	143.59	Dollar Index	Dec	97.87	98.22	96.33
Ethanol	Dec	37.54	37.30	33.39	S&P 500	cash	3,114	3,088	2,736
Oats	Dec	200.36	197.28	193.39					

For price specs. go to: www.open-i.ca/PriceSpec.htm

Data in red are 12-month highs, blue are 12-month lows, green revised

COMMENT: Wheat prices were generally lower with lacklustre demand cited as weighing on values and US export sales data for last week at the lower end of pre report expectations. Last week's USDA crop progress report suggests the US winter wheat crop was in fair condition but forecast for a cold snap in the US winter wheat belt was supportive of prices.

Corn prices also continued to drift lower. Export sales were in line with trade expectations and weekly ethanol use data was supportive. But export movement lags last year. Soybean prices were lower with vegetable oil values reversing their recent upward. Mixed messages on trade negotiation between the US and China failed to provide market direction. A steady stream of soybean export sales announcements much of the business with China was supportive as was weekly soybean crush data. Canola prices appear to be firming with farmer deliveries slowing. But domestic disappearance – crush, continues to pace previous years.

NEWS: The USDA reported the condition of the US winter wheat crop as of November 10 as 54 percent good/excellent, 3 percentage points below the previous week, and four percentage points above the 5-year average of 56 percent. The crop is 92 percent planted compared to 88 percent last year and a 92 percent five-year average. Emergence is placed at 78 percent compared to 76 percent last year and an 81 percent 5-year average.

US export sales last week for wheat, corn and soybeans were 0.24M, 0.58M and 1.24M tonnes, respectively. Wheat sales were below the range of pre report expectations while corn and soybeans were within the range. Cumulative US wheat, corn and soybean exports are running 127, 39 and 112 percent of last year's pace.

Canadian Grain Commission data to Nov 10 indicates farmers marketing of all crops are running 3 percent ahead of last year's pace. Exports are trailing by about 3 percent but this is more than offset by domestic disappearance running better than 7 percent above last year's pace. In particular canola crush is running 28 percent above a year's rate.

Movement, including country and process elevator and producer car shipments, of all crops for the week ending November 10, 1.358M tonnes, was probably an all time record and certainly the highest single week shipment level since 2014 when the CGC revised its reporting.

OPINION: Every year the USDA publishes long term, 10 year, agricultural projections - just tables in the fall, with further commentary the following February. It does this for the benefit of politicians and they are referred to as Base Line Projections. Based on a multitude of assumptions with the short term situation as reflected in the October USDA World Agricultural Supply and Demand estimates, for the short term they are soon outdated. But for the longer term they provide as good an indication as is available.

The major caveat is the absence of any unforeseen change in circumstance such as the US and China settling their differences on trade issues. In 2017 before the Chinese import tariff on US soybeans, the expectation – blue line on the graph, was for the US would continue to plant 90 million plus acres to soybeans. In 2018 (red line) and 2019 (green line) those expectations were adjusted in the reality of the Chinese soybean tariff. If the US and China manage to get their acts together the 2016 forecast may yet end up looking better than the more recent 2018 and 2019 forecasts.

David Walker, Edmonton, AB, CA

