

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	218.99	221.20	189.32	Soybeans	Jan	434.50	406.02	329.59
HRW Wheat	Dec	202.55	204.02	155.79	Soya Meal	Jan	356.06	344.89	272.60
HRS Wheat	Dec	201.36	204.76	181.06	Soya Oil	Jan	838.45	776.05	684.78
CWRS Wheat	Spot	249.27	247.11	219.21	Canola	Jan	577.00	549.00	464.30
CPS Wheat	Spot	230.91	227.91	194.13	Crude Oil(WTI)	Dec	42.17	37.12	63.50
Corn	Dec	166.72	160.13	145.17	Dollar Index	Dec	92.37	92.24	98.17
Ethanol	Dec	36.98	35.93	37.25	S&P 500	cash	3,566	3,506	3,109
Oats	Dec	192.58	194.85	201.98					

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

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

COMMENT: US wheat futures prices have trended slightly lower over the last month with concerns over the condition of Northern Hemisphere winter wheat crops offset by generally favourable southern hemisphere harvests and no end to record global supplies insight. As yet uncertain South American corn and soybean crop prospect seem to have resulted in weather premiums developing. This with continued evidence of increased demand has pushed prices yet higher.

NEWS: Canadian Grain Commission data suggests some slowing of activity beyond the farm gate in the last two weeks. But it is still running ahead of a year ago. It is not clear yet whether this is the result of slowing of export demand, is seasonal, or is weather related. Cumulative aggregate crop year Producer Deliveries, Export and Domestic Disappearance to week 15 of the crop year are respectively 117, 131 and 105 percent of a year earlier.

Country elevators stocks of all crops are about 21 percent above a five-year average for mid November. Major Prairie crops with stocks above this level include barley 225 percent above the 5-year average, oats 171, peas 156 and amber durum 138. Canadian barley is for the moment probably benefitting from the Chinese import tariff on Australian barley.

The USDA's crop progress report for Nov 15, placed the condition of the US winter wheat crop at 46 percent good or excellent, up one percentage point from last week, 6 points below last year at this time and 8 points below a five-year average. The crop was 85 percent emerged compared to a 84 percent five-year average.

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 their policy makers 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.

With the change in US administration the political uncertainties are also probably larger than usual. For the rather central issue of planted area the projections are for corn area trending slightly lower and soybean area slightly higher to the degree that farmers are expected to plant a larger area of the latter than the former for much of the forecast period. Wheat area is expected to continue to decline.

OPINION: We have now seen canola prices rise by 20 percent since harvest and soybeans by rather more over the same period. Canola prices have now reached the highs of 2016, but have some way to go to reach the levels of 2012-13 and 2008. The question is how sustainable are prices at this level and beyond. Using current USDA data the global oilseed stocks to use ratio stands at about 19 percent. At this time of year in both 2012 and 2016 this ratio was about 16 percent. A year ago it stood at about 22 percent. If these ratios are a fair measure of the state of the market, current prices appear to be fair.

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