

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					8-Dec-23
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	232.13	221.47	266.12	Soybeans	Jan	479.14	486.86	545.19	
HRW Wheat	Mar	242.88	236.26	306.08	Soya Meal	Jan	367.12	374.38	427.81	
HRS Wheat	Mar	268.05	275.67	331.25	Soya Oil	Jan	1,106.76	1,134.32	1,323.04	
CWRS Wheat	Spot	345.34	342.38	431.09	Canola	Jan	661.00	680.10	872.40	
CPS Wheat	Spot	298.21	293.14	404.30	Crude Oil(WTI)	Jan	71.23	74.03	71.85	
Corn	Mar	191.13	190.84	253.53	Dollar Index	Mar	103.61	102.68	104.48	
Oats	Mar	230.45	249.48	216.57	S&P 500	cash	4,603	4,590	3,957	

For price specs. go to: [www.open-i.ca/PriceSpec.htm](http://www.open-i.ca/PriceSpec.htm) Data in red are 12-month highs, blue 12-month lows, green revised

**COMMENT:** Wheat prices were mixed with Chicago stronger following four daily reports of export sales of soft red winter wheat to China. The oilseeds sector was weaker with continued prospect of drought relieving rain in northern Brazil. Friday's USDA outlook report was slightly positive for wheat and negative for corn and soyabean relative to pre-report expectations. Weekly US soybean export sales exceeded expectations. The wheat export sales will not show until next week's report.

**NEWS:** Stats Can November estimate of production, for the 17 field crops reported on, totalled 89.6 million tonnes, about 7 percent less than 2022 output and 6 percent more than a 2018-2022 five-year average. Except for durum, production estimates for all crops were reported more than the September-model based estimates - probably the result of relatively favourable harvest conditions.

#### Nov 2023 Production Estimates

	000 tonnes	% of 2022	% of Sept est.
Spring Wheat	24,762	96	109
Durum	4,045	70	100
Winter wheat	3,147	117	100
Canola	18,328	98	106
Corn for Grain	15,076	104	101
Barley	8,896	89	113
Soybeans	6,981	107	104
Dry Field peas	2,609	76	115
Oats	2,636	50	108
Lentils	1,671	73	108
Flaxseed	273	58	102

Data source: Statistics Canada

The estimate for canola was close to pre-report expectations. But a slight decrease in the total wheat estimate was expected, against the 7 percent increase surveyed.

Revisions to **December USDA supply and demand(S&D) forecasts** were limited as there was little new domestic data and changes that were made related to international developments.

Adjustments to **US domestic wheat S&D** forecasts were limited to a small adjustment to exports prompted by this week's export sales to China. As a result of this ending stocks were reduced by four percent and are now 13 percent above beginning stocks. A slight increase in the **global wheat production** estimate was offset by an increase in use leaving ending stocks close to unchanged.

For **US corn** adjustment were limited to a small increase in the export forecast which resulted in a one percent cut in the ending stock forecast which is now 57 percent above beginning stocks. The estimated **world coarse grain** output was raised by higher estimates for both Western and Eastern Europe but this was offset by increases in expected use leaving ending stocks about unchanged and four percent above beginning stocks.

**US soybean S&D** projections were unchanged with ending stocks sitting at nine percent below beginning stocks. The USDA's forecast for **global oilseed production** was lowered slightly with a cut in expected Brazilian soybean output largely offset by increases in soybean and other oilseed production elsewhere.

**OPINION:** As is often the case, the flurry of Chinese purchases of US soft red winter wheat is difficult to explain. The total of over a million tonnes compares with current USDA forecast of total Chinese wheat imports of 12.5 from all sources. Although it is world's largest wheat producer China usually imports about ten percent of its wheat needs but USDA data suggests it has a massive 90 percent of annual consumption in reserve – year end stocks. That the purchases were not anticipated is evident from the USDA raising its export forecast this week. But the suggestion that the wheat was needed to replace domestically produced wheat downgraded to feed due to weather damage does not seem to fit in the context of China's massive reserves and the USDA not raising its forecast for use of wheat for feed by the Chinese.

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