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# MARKET WATCH

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**Below are excerpts from my weekly Market Watch radio spots.  
Market Watch is broadcast on over two dozen radio stations across Western Canada.**  
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## **November 7<sup>th</sup> – Winter Weather Forecast**

With winter soon to develop across the Prairies, it's time to look at some long-term North American winter weather outlooks.

"Cold Man Winter did seem to be on vacation last year thanks to a very strong El Niño, but this year he's back . . ." says The Farmers Almanac for the 2016-2017 winter across the crop growing regions of North America. "Exceptionally cold, if not downright frigid weather will predominate over parts of the Northern Plains, Midwest, Great Lakes, and Canadian Prairies this winter."

It is also suggesting "near or below-normal precipitation will cover the nation's midsection." The good news is that the frigidly cold temperatures really won't take hold until much later in the season into February.

Accuweather's winter forecast also calls for below normal temperature across the Prairies with below normal snowfall in Manitoba and Saskatchewan.

Bottom line, very cold and dry. Weather events can cause supply issues as we've already seen with getting our canola crop off the field. This can often affect your grain prices so be ready to proactively protect revenues by taking advantage of any better pricing opportunities should they occur.

## **November 14<sup>th</sup> – Canadian Dollar: Trumped!!!**

In 1971 when the Bretton Woods currency system that had regulated foreign exchange rates since the end of World War II collapsed, currencies across the globe started to float against each other. Over these last 4 decades, the C\$, like most currencies, tended to have big moves over extended periods of time ranging from 5 to 10 years.

Recently, given the C\$ has been moving down from par for five years, we could still see another few years of our loonie drifting sideways to lower. It's quite probable we could see the C\$ back down to 65 cents in the next couple of years, a level last seen in 2002.

The recent Trump victory in the US election didn't cause the weakness in the C\$ but, so far, it certainly looks like it will help keep the downward momentum going.

Markets don't typically go straight up or down, so it's unlikely the C\$ is on a one way train down to 65 cents. More likely, it will take a scenic route meandering up and down. This will present pricing opportunities for farm businesses to capture more out of their farm revenues.

Bottom line, to find out how C\$ options and futures traded on the Chicago Mercantile Exchange can benefit your farm, connect with me at me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## **November 21<sup>st</sup> – Canola Revenue Protection**

I recently read an article by D'Arce McMillan in the Western Producer where he says: "it might be a good time for you to talk with your professional marketing advisor about options for pricing some of your 2017 canola crop now."

He goes on to say, that "there are no guarantees in agriculture, but in recent reports we have seen there are factors that could weigh down oilseed prices.

- The South American harvest will start to hit the market early in 2017.
- U.S. soybean acreage might see a big increase in 2017.
- Palm production that was hurt by drought this past year should start to recover in April.
- November 2017 canola futures today were at \$506.70. Since the price decline hit in the summer of 2013 there have not been a lot of months when the price was above \$500."

Bottom line, with new crop November 2017 canola options actively trading on the ICE Future Canada exchange, you now have the opportunity to establish decent floor prices along with all the upside but without the delivery commitments and production risks associated with a production contract. To find out how, connect with me at me at 844-982-0011 or [commodity-options.ca](http://commodity-options.ca).

## **November 28<sup>th</sup> – Top 5 Questions for your Marketing Plan**

Want to improve your marketing strategies and revenue risk management this winter, I can show you how.

The theme of the Ag Excellence conference I presented at last week in Calgary was Plan & Prosper. Nowhere is that more important than your marketing and sales plan. Given you are dealing with gross revenue, top line, 100 cent dollars, your selling and hedging decisions will have a big impact on your net bottom line.

So, here are the top 5 self-assessment questions you can ask yourself as you price the rest of your old crop and think ahead to hedging 2017 new crop. Do you...

- #1) Set marketing goals that can be measured and have a written marketing plan?
- #2) Monitor and revise your marketing goals & plan?
- #3) Have the interest and skills to make good marketing decisions?
- #4) Understand and use options & futures hedging strategies?
- #5) Have an overall revenue management strategy for marketing your products?

Revenues are 100 cent dollars so even a 5% improvement on your top line can significantly increase your bottom line results. To find out more about these Top 5 marketing topics, visit [commodity-options.ca](http://commodity-options.ca) for more details.

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