

| Grain and Related Prices | | | | | Oilseeds & Other Prices | | | | |
|--|-------|-----------|-----------|----------|---------------------------|-------|-----------|-----------|--------------------|
| Commodity | Month | This week | Last week | Year ago | Commodity | Month | This week | Last week | 10-Jul-15 Year ago |
| SRW Wheat | Sep | 211.65 | 216.97 | 193.27 | Soybeans | Sep | 376.26 | 379.01 | 403.91 |
| HRW Wheat | Sep | 210.27 | 211.65 | 233.78 | Soya Meal | Sep | 318.86 | 313.97 | 328.48 |
| HRS Wheat | Sep | 224.51 | 229.28 | 230.75 | Soya Oil | Sep | 716.53 | 739.90 | 812.65 |
| CWRS Wheat | Spot | 248.77 | 247.56 | 174.34 | Canola | Nov | 534.90 | 533.50 | 439.90 |
| CPS Wheat | Spot | 215.96 | 215.84 | 135.72 | Crude Oil(WTI) | Sep | 53.16 | 55.85 | 100.18 |
| Corn | Sep | 171.15 | 168.69 | 148.91 | Dollar Index | Sep | 96.19 | 96.56 | 80.23 |
| Ethanol | Sep | 43.32 | 43.24 | 52.94 | DJIA Mini-sized | Sep | 17,682 | 17,620 | 16,805 |
| Oats | Sep | 167.29 | 168.59 | 213.17 | | | | | |
| Data in red are 12-month highs, in blue are 12-month lows | | | | | <i>New crop SRW wheat</i> | Dec | 214.31 | 219.27 | 201.27 |
| For price specs. go to: www.open-i.ca/PriceSpec.htm | | | | | <i>New crop corn</i> | Dec | 175.19 | 172.14 | 151.47 |

COMMENT: Wheat futures prices held on to most of last week's gains, but the international market is seen as being very competitive at this time. Corn prices extended last week's gains with excess moisture seen as detrimental to crop development in the eastern Corn Belt and USDA placing this year's ending stocks below expectations. Soybean prices were very volatile with US weather and outside market developments including the Chinese equity market influential but at the end of the week losses were minor.

NEWS: The USDA's July all wheat production estimate was for 56.5M tonnes, up 6 percent from 2014 but down 3 percent from the June estimate. The hard red winter wheat estimate was for 23.6M tonnes, up 17 percent from last year but down 2 percent from the June estimate and for soft red winter wheat estimate 10.7M tonnes, down 13 percent from last year and down 5 percent from the June estimate. Durum and other spring wheat, this season's first survey estimate, were respectively up 42 and 4 percent from 2014 output, at 2.1M and 15.6M tonnes. USDA's July domestic supply and demand forecasts for 2015-16 reflect mainly adjustments following recently reported US grain stocks, area and production survey-based estimates. Wheat supplies were raised 1.6M tonnes with increases in beginning stocks and production estimate. This increase was partially offset by increase in both domestic use and exports but the ending stock forecast was raised by just 0.8M tonnes. A major increase in global beginning wheat stocks stemming from reduced Chinese wheat feeding over shadowed other changes to global wheat situation fundamentals. This together with a similar adjustment in Chinese wheat feeding going forward resulted in 9 percent, 17.4M tonne increase in forecast ending stocks.

For US domestic corn the supply estimate was cut by 5.0M tonnes with lower beginning stocks and a small area related cut output. Yield, based on historic factors, was not adjusted. With a small increase in anticipated exports ending stocks were 4.4M tonnes.

The USDA global coarse grain data revisions for 2015/16 included reduced beginning stocks and output resulting in a 4.3M tonne cut in supplies. With use about unchanged, the ending stock forecast was cut by 5.2M tonnes.

US beginning soybean stocks for the 2015-16 crop year were cut by a relatively large 23 percent but this was partially offset by an area related increase in output.

Disposition data was left largely unchanged with ending stocks reduced by 1.4M tonnes. Levels of ending stocks are certainly less of an issue than they were a year ago.

The largest adjustment to global oilseed data was a cut in 2014/15 ending stocks -2015/16 beginning stocks, which resulted in a 2.4M tonne cut in the forecast for 2015/16 ending stocks. These ending stocks, however, are still a record, well above this year's record which was in turn well above last year's carry over.

OPINION: This month's revisions to USDA supply and use data were more difficult than usual to assess. The USDA did not adjust its corn and soybean yield projections although there appear to be a consensus that damage has already been sustained to these two crops as a result of excessively wet conditions. The USDA's first survey based yield estimates are made in July. Prior to this assessment is made on historic information. Just as challenging was a very large adjustment to Chinese wheat usage, much of which was retrospective and already discounted by actual supply and demand. The market had probably discounted the former, a known unknown, and regarded the latter as already being in the market, an unknown unknown.

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