

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	26-Feb-16 Year ago
SRW Wheat	Mar	162.87	169.48	190.15	Soybeans	Mar	314.16	322.70	378.74
HRW Wheat	Mar	162.59	167.92	196.40	Soya Meal	Mar	233.37	239.94	320.86
HRS Wheat	Mar	179.77	181.24	204.30	Soya Oil	Mar	684.12	692.06	723.14
CWRS Wheat	Spot	231.73	231.59	206.44	Canola	Mar	447.00	466.60	461.30
CPS Wheat	Spot	196.81	194.92	177.4	Crude Oil(WTI)	Apr	32.90	32.12	49.38
Corn	Mar	139.56	143.89	151.37	Dollar Index	Mar	98.16	96.65	95.29
Ethanol	Mar	36.64	37.25	38.15	DJIA Mini-sized	Mar	16,663	16,347	18,173
Oats	Mar	110.88	124.50	188.37	Canola	Nov	465.50	475.90	458.60
For price specs. go to: www.open-i.ca/PriceSpec.htm					Wheat	Dec	178.48	182.80	197.87
Data in red are 12-month highs, in blue are 12-month lows					Corn	Dec	148.91	152.157	164.36

COMMENT: US wheat prices slid on Tuesday to the lowest level in over five years with a stronger US dollar and poor export demand. The US Outlook Forum also indicated rather bleak prospects for 2016/17. Corn prices also appeared to labour under the challenge of a strengthening US dollar, although last week's export sales met relatively optimistic trade expectations. Soybean prices were down with a stronger US dollar and a pickup in the South American harvest. Soybean export sales last week were at the low end of relatively modest trade expectations. With a stronger Canadian dollar, canola also had a poor week hitting prices not seen since last April when the Can dollar was at 83 US cents, but wheat prices held with tightening basis.

NEWS: USDA Annual Outlook Forum this week highlighted the adverse impact of the strength of the US dollar and prospects for slower global economic growth on US crop export prospects. This is seen as resulting in an increase in end of 2016/17 crop year stocks to relatively high levels with a resulting pressure on anticipated prices.

Area seeded to the 8 major US crops is forecast to decline by 1.0 percent from 2016 and 9.7 percent from the record of 2014. Winter wheat area has been surveyed to have declined by 8 percent, spring wheat and soybeans are forecast to be cut respectively by 5 percent and only marginally, with corn area to increase by 2.3 percent. The swing from soybean to corn is seen as being prompted in part by lower fertilizer and fuel costs.

The US wheat supply and demand forecast, their first for 2016/17, suggests US supplies will increase with an increase in beginning stocks off setting lower output. On the use side feed use and exports are forecast to increase but not by enough to prevent ending stocks increasing to the highest level since 1987/88, with prices remaining under pressure.

For corn an increase in both output and beginning stocks will result in record US supplies. With an

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increase in livestock numbers feed use is expected to be up, but even with an increase in exports, ending stocks are seen increasing to the highest level since 2004/05 and projected prices to be slightly lower next year.

For soybeans supplies are expected to increase with the substantial increase in beginning stocks offsetting a smaller crop. On the use side, demand for meal and oil for biodiesel are expected to increase. Canola oil supplies were mentioned as limiting US edible soya oil consumption. A recovery in soybean exports is expected to result in ending stocks below this year's level, but lower prices are still anticipated.

OPINION: The focus of international demand for soybeans usually shifts from the US to South America at about this time of year and sometimes quite abruptly. March is probably the most active harvesting month for South American soybeans so in anticipation of a build up of new crop supplies one might expect export sales from the Southern Hemisphere to start squeezing US sales and this certainly appears to be happening at the moment. After a slow start, US sales this year kept pace with a year earlier through the fall but have since slowed. It now seems that they will not meet USDA's current forecast for the crop year which will likely be reduced in March.

David Walker, Edmonton, AB, CA

