

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	11-Mar-16 Year ago
SRW Wheat	May	174.81	169.30	184.45	Soybeans	May	329.13	322.80	357.89
HRW Wheat	May	177.47	172.24	198.14	Soya Meal	May	248.11	245.75	296.64
HRS Wheat	May	189.32	182.99	208.52	Soya Oil	May	708.37	682.58	672.21
CWRS Wheat	Spot	231.20	228.44	217.92	Canola	May	463.40	450.00	459.30
CPS Wheat	Spot	207.91	201.35	193.22	Crude Oil(WTI)	May	40.09	37.60	47.17
Corn	May	143.69	141.04	149.80	Dollar Index	Jun	96.23	97.37	100.66
Ethanol	May	38.23	36.96	38.36	DJIA Mini-sized	Jun	17,091	16,891	17,625
Oats	May	124.17	117.85	180.10	Canola	Nov	467.50	465.50	444.90
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Wheat	Dec	185.58	180.50	193.27
Data in red are 12-month highs, in blue are 12-month lows					Corn	Dec	150.68	148.909	159.34

**COMMENT:** US grain and oilseed markets were generally stronger this week with a weaker US dollar supporting the spectrum of markets. For wheat US prices were further supported by the USDA, against expectations, not further reducing its export projections. A cut in the USDA's ending global stock forecast also help. Higher crude oil prices were positive to corn use for ethanol production and thus supportive. It seems that the impact of the large South American soybean harvest has yet to be fully felt in market prices even as early indications of a North American weather market are emerging. Canola had a second good week.

**NEWS:** The USDA's March revisions to its domestic 2015/16 wheat, corn and soybean supply and demand projections were minor. For US wheat the data was virtually unchanged from February. Adjustments to global prospects included the lowering of output by 3.3M tonnes - downward revision of Indian and Australian harvests, and of global consumption by 2.0M tonnes. The ending stock forecast was reduced but like output is still a record.

US 2015/16 domestic corn data was left unchanged. Global coarse grain supplies were reduced mainly on account of a lower estimate of Brazilian stocks at the beginning of the crop year and a further reduction in the estimate of the drought reduced South African harvest. Ending stocks are also revised lower but are still higher than last year.

The forecast for the US domestic soybean crush was lowered by 0.3M tonnes and ending stocks were raised by a like amount as other components of use including exports were left unchanged. Globally the USDA raised its forecasts for oilseed output fractionally but raised its projection for consumption by 2.4M tonnes. Ending stocks have been revised lower and although large by historic standards are now slightly below year ago levels which is a major change from expectations last spring.

**OPINION:** While the USDA projections for global ending stocks generally paint a rather bleak picture, at least for oilseeds, the situation might appear less so that last spring. Last spring the USDA was forecasting a quite sizeable increase in ending stocks for the current crop year. The most recent revision suggests reduced ending stocks from a year ago. Also, of interest is, that both for last year and this, the USDA's forecasts have become less pessimistic for this measure of the state of the global oilseed markets as the seasons progressed.

It is possible that in this instance errors in anticipating the impact of weather on global oilseed crops were less than that of anticipating the impact of economic conditions on their use. The basis for suggesting this rather different thought is that, with the diversity of oilseed crop and their regional dispersion, the rule of compensating errors comes into play. Whereas the impact of economic conditions is more pervasive and the impact of rising income on demand may have been underestimated.

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