

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	13-May-16 Year ago
SRW Wheat	Jul	174.44	170.40	187.76	Soybeans	Jul	391.32	380.21	350.26
HRW Wheat	Jul	167.55	166.63	199.06	Soya Meal	Jul	329.30	310.97	275.14
HRS Wheat	Jul	196.76	196.49	206.59	Soya Oil	Jul	716.53	728.87	729.09
CWRS Wheat	Spot	236.90	238.86	202.57	Canola	Jul	515.80	494.70	455.30
CPS Wheat	Spot	202.52	203.93	175.68	Crude Oil(WTI)	Jun	46.21	44.71	59.71
Corn	Jul	152.94	148.61	143.89	Dollar Index	Jun	94.59	93.89	93.27
Ethanol	Jul	40.74	39.97	44.28	DJIA Mini-sized	Jun	17,495	17,664	18,210
Oats	Jul	126.60	125.15	161.13	Canola	Nov	512.90	506.50	449.20
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Wheat	Dec	183.44	180.78	195.48
Data in red are 12-month highs, in blue are 12-month lows					Corn	Dec	156.78	151.468	150.68

**COMMENT:** Reaction to Tuesday's USDA soybean and oilseed supply and demand forecasts dominated the market this week. Everything from this year's US soybean ending stocks to next year's global ending oilseed stock forecasts were below the range of trade expectations. And, while most other US market news including less than favourable US export sales data for soybeans, favorable US winter wheat crop prospects and good progress with seeding US spring crops were bearish, other crop markets tended to follow soybean prices higher.

**NEWS:** The USDA's first survey based winter wheat production estimate placed output at 38.9M tonnes, up 5% from 2015 - area is down 8% and yield up 12%. The yield estimate is larger than the existing, 1999, record. Hard red winter output is up 4% with favourable yield prospects in major producing states, soft red winters are down 1% and white winter wheats up 13%.

The USDA's initial assessment of US and global 2016-17 supply and demand published Tuesday did not forecast increased ending stocks for all three major crops as they did last year at this time.

With a cut in spring wheat area and yields offsetting an increase in winter wheat output, all wheat output will be lowered but larger beginning stock will mean increased supplies. US use, including exports, is expected to increase by 1.4M tonnes to the highest level since 1987. The increase compares with a 30%, 6.1M tonne increase last year. The global balance sheet is similar. Larger beginning wheat stocks are expected to offset reduce output resulting in an increase in supplies. Projected increase in use will not prevent ending stocks rising again at record levels but the year-over-year increase is seen as being more modest than last year.

US corn supplies are expect to increase 4% mainly as a result of a increased output – a larger harvested area and better yield than in 2015. Corn use including exports is

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expected to increase about 3% and ending stocks by 17% to the highest level since the mid 1980s. The increase in US coarse grain supplies is expected to contribute to almost half the 41M tonne increase in global supplies. But increased use, particularly in the US and China, is expect to offset the increase in supplies and result in a cut in global coarse grain ending stocks.

US soybean output is expected to partially offset larger beginning stocks. But with continued growth in use ending stocks are projected to be 24% lower. Global ending stocks are expected to fall for a second successive year, with increased use almost matching increased output but more than matching a smaller increase in supplies due to lower beginning stocks

**OPINION:** The bellwether of USDA ending stock projections for the three major crop group suggest rather different long term prospects and certainly a very different situation from a year ago.

The projections for 2016-17 suggest the oilseed situation has turned, the coarse grain situation is about to turn and the wheat situation still has a little way to go.

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