

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	20-May-16 Year ago
SRW Wheat	Jul	171.87	174.44	189.32	Soybeans	Jul	394.72	391.32	339.61
HRW Wheat	Jul	164.06	167.55	200.81	Soya Meal	Jul	356.24	329.30	275.96
HRS Wheat	Jul	193.92	196.76	208.98	Soya Oil	Jul	689.41	716.53	697.57
CWRS Wheat	Spot	241.72	236.90	218.66	Canola	Jul	523.10	515.80	463.20
CPS Wheat	Spot	206.98	202.52	190.93	Crude Oil(WTI)	Jul	48.41	46.21	59.71
Corn	Jul	155.31	152.94	141.72	Dollar Index	Jun	95.34	94.59	96.27
Ethanol	Jul	42.43	40.74	41.08	DJIA Mini-sized	Jun	17,482	17,495	18,240
Oats	Jul	122.88	126.60	157.24	Canola	Nov	524.80	512.90	454.90
For price specs. go to: www.open-i.ca/PriceSpec.htm					Wheat	Dec	182.43	183.44	197.32
Data in red are 12-month highs, in blue are 12-month lows					Corn	Dec	157.37	156.783	148.71

COMMENT: Wheat prices were generally lower over the week with improving prospects for northern hemisphere winter wheat crops. Prairie prices were supported by a lower Canadian dollar and uncertain spring crop prospects. Concern over the implications of a difficult Argentinean soybean harvest on their exports of soya meal supported meal values while oil values slid. Canola prices were helped by exchange rates and uncertain crop development prospects.

NEWS: Ag Canada May revisions to its Canadian supply and disposition forecasts reflected Stats Can's March 31 stocks reports for this crop year and Seeding Intentions report for 2016-17, plus on-going data on export and domestic consumption. Ending stocks for total **principal field crops** for the current crop year were lowered five percent, the sixth consecutive month that this forecast has been cut. Both exports and domestic consumption were raised. Exports of durum, barley, corn and oats were raised. Those for lentils and peas lowered to accommodate increased domestic use possibly for use for product export. Domestic use of wheat and barley was also raised. Domestic use of durum, corn and oats was seen to decline to allow for increased exports. Canola projections for this year were left unchanged. Changes in forecast for next year included area adjustments, implicit output adjustments and a few changes in use patterns. Total supply of crops is seen to be down about 5M tonnes mainly due to lower carry-in, exports down 4M tonnes and domestic use down 1M tonnes, leaving carry out about unchanged at this year's low level. Specific commodity related cuts in exports were seen for wheat, canola, flax and soybeans. Those for canola cut exports to the lowest level since 2012-13, which assumes farmers seed what they indicated they would in early April. Conversely increases in pulse area are expected to result in increase exports.

Prairie provincial crop reports indicate seeding ahead of average with concerns about moisture conditions.

For MB, as of May 16: Seeding is 61% complete, with cooler and wetter weather slowing progress.

For SK, as of May 16: 51% of the crop is seeded, well ahead of a five-year average of 28 per cent. Topsoil moisture conditions have greatly improved and rated for crop land at six per cent surplus, 77 per cent adequate, 13 per cent short and four per cent very short.

For AB, as of May 17: Irrigated crops are looking good but dry land crops are in need of moisture. About 75 per cent of crops are seeded, compared to a five-year average of 66 per cent. Surface soil moisture is rated (five-year average in brackets) at 34 (seven) per cent poor, 36 (23) per cent fair, 29 (48) per cent good and one (22) per cent excellent.

OPINION: The continued increase in Ag Canada's monthly export forecasts since harvest for all crops, where supply is not a restriction, seems likely largely a result of the 2015 decline in the Canadian dollar. The potential for further upward revision seems unlikely in view of supply restraints and the dollar strengthening in recent months. Expectations for crop exports for next year are below those for this year and may not have been revised upwards for the same reasons.

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