

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	17-Jun-16 Year ago
SRW Wheat	Jul	176.83	181.88	179.49	Soybeans	Jul	426.05	432.94	356.97
HRW Wheat	Jul	169.30	172.15	184.91	Soya Meal	Jul	369.57	375.74	293.10
HRS Wheat	Jul	198.33	197.87	199.52	Soya Oil	Jul	703.96	722.26	717.63
CWRS Wheat	Spot	235.77	243.41	210.96	Canola	Jul	510.50	523.50	503.70
CPS Wheat	Spot	201.77	212.22	178.36	Crude Oil(WTI)	Jul	48.04	49.06	59.95
Corn	Jul	172.33	166.53	139.07	Dollar Index	Sep	94.22	94.67	94.23
Ethanol	Jul	44.06	43.77	39.36	DJIA Mini-sized	Sep	17,606	17,828	17,953
Oats	Jul	135.03	130.82	158.21	Canola	Nov	513.00	525.50	502.70
For price specs. go to: www.open-i.ca/PriceSpec.htm					Wheat	Dec	188.50	192.81	186.02
Data in red are 12-month highs, in blue are 12-month lows					Corn	Dec	176.66	169.578	145.17

COMMENT: US wheat prices were pressured by harvest supplies and reports of better than expected yields. But prices were supported by last week's export sales which were well above expectations. Corn prices were higher on weather forecast adjustments for the beginning of the pollination period next month, but export sales last week were lower. Soybean prices were lower, the first significant beak in over three months. While issues relating the delayed delivery of South American crops do not seem to have been resolved and US export sales continue to exceed expectations, the reality of a good start to US and Canadian crops are probably weighing on price expectations.

NEWS: Prairie provincial crop reports indicate crops are off to a good start.

For **MB** as of June 16 - Crops benefitted from the warmer temperatures and drier weather conditions earlier in the week but wet fields continue to hamper some field operations.

For **SK** as of June 13 - Seeding is 99.5 per cent complete compared to the five-year average of 94 per cent. Topsoil moisture conditions on cropland are rated 85 per cent adequate. The majority of the crops are in excellent-to-good condition.

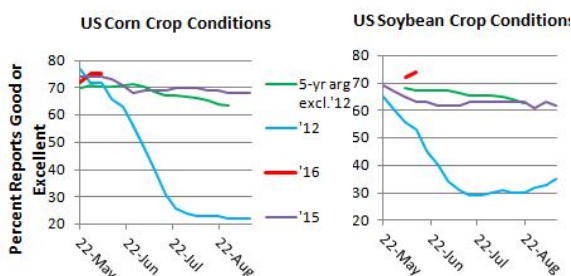
For **AB** as of June 13 - Generally warm wet weather has contributed to crop advancement with 80 per cent rated good to excellent, eight per cent above the 5-year average. With recent rainfall surface soil moisture is rated at 81 per cent good or excellent compared to 28 per cent a year ago.

The **USDA** reported the US winter wheat harvest 11% percent completed, as of June 12, compared with a 5-year average of 18%, and last year's 9%. The US corn, soybean and spring wheat crops were placed at 75, 74 and 79% good or excellent last week, compared to 5-year averages of 70, 67 and 69%.

OPINION: While demand prospects, at least for North American crops, have improved as a result of challenges in South America, the recent volatility of the market is almost certainly weather related. There seems to be something of a tug-of-war between the generally very favourable crop development to date and medium term weather forecasts which are subject to constant revision. Hence, the volatile prices. This is most evident for oilseeds where the prospect of adequate supplies is most at risk.

But can adverse or very adverse weather make enough difference to harvest. The answer as illustrated by the 2012 experience is probably "yes" to the latter. Drought devastated the 2012 corn crop and soybeans were only partially saved by rain in late July which was too late for the corn crop. Corn yields were about 75 percent of previous record levels and soybeans 90 percent. Adjustments of this nature to supply would necessitate balancing cuts in use and higher prices necessary for this to occur. But 2012 was probably a one year in 20 phenomena with an extended period of hot dry weather.

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Data Source: USDA, dates approximate

While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.