

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	8-Jul-16 Year ago
SRW Wheat	Sep	159.84	158.92	211.65	Soybeans	Sep	398.03	422.10	376.26
HRW Wheat	Sep	154.78	151.20	210.27	Soya Meal	Sep	341.36	363.77	318.86
HRS Wheat	Sep	184.09	183.72	224.51	Soya Oil	Sep	669.13	687.43	716.53
CWRS Wheat	Spot	217.26	221.56	248.77	Canola	Jul	470.00	495.70	534.90
CPS Wheat	Spot	176.01	181.28	215.96	Crude Oil(WTI)	Aug	45.10	49.01	53.16
Corn	Sep	139.76	141.72	171.15	Dollar Index	Sep	96.39	95.34	96.19
Ethanol	Sep	41.29	43.03	43.32	DJIA Mini-sized	Sep	18,057	17,832	17,682
Oats	Sep	126.60	124.01	167.29	Wheat	Dec	167.74	168.10	214.31
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn	Dec	142.71	144.48	175.19
Data in red are 12-month highs, in blue are 12-month lows									

COMMENT: Wheat prices received some support for quality concerns arising from heavy rain in European wheat areas. US corn prices suffered from the increased probability of above average US yields. Soybean prices are still locked in a no-man's land of conflicting weather forecasts.

NEWS: The USDA's weekly crop progress report for July 3 placed the condition of corn, soybean and spring wheat crops at 75, 70 and 72 percent good to excellent, respectively unchanged, unchanged and down 2 percentage points from the previous week. All three are above the average condition for recent years. Fifteen percent of the corn crop had reached the critical silking - part of pollination, phase of development when abnormally warm and dry weather can materially detract from yield potential.

The US winter wheat harvest was reported at 58percent complete, up from 45 percent the previous week, and in the wrap up stage in the major hard red winter wheat producing states of the southern Great Plains.

Where crops on the Prairies are reported to be in other than great condition, they are, uncharacteristically for this season, suffering from too much moisture.

OPINION: The rather sudden collapse of corn and soybean prices is almost certainly worthy of comment. In the case of corn all, and more, of the 25 percent increase in prices that occurred over the three month prior to mid June, has been lost in three weeks. The most likely explanation of this is that prior to the crop going into the ground expectations were for trend yields, resulting supply and price prospects. Once the crop was in the grounds all eyes were on weather forecasts and less than ideal expectations of which there appears to have been enough to support prices. Actual crop conditions reports for favourable development, now the crop is in the critical pollination stage, have been weighing on prices with the expectation of above average yields.

For soybeans the critical pod filling stage is still a month away, and so the crop is not "made." New crop prices, which advanced almost 30 percent since April, have in recent weeks lost about half that and are back to mid April levels. Price levels suggest there is some weather premium in the market.

These thoughts do not take account of changes in demand conditions. The delay in the harvest and availability of South American crops certainly has been supportive of prices, particularly old crop positions.

Another element on the demand side is the forward commitment of buyers as reflected in US export sales data. Caution is necessary in interpreting this data particularly as it relates to new crop commitments. Overseas buyers are likely to have been nervous as they saw new crop prices advance. Recent favourable export sales data may, therefore, reflect in part an increase in forward commitment rather than ultimate needs. This suggestion may be confirmed, if, with the recent slide in prices, US export sales diminish. This has yet to occur. Further, the state of non-agricultural markets with perceived risk associated with the UK vote to leave the EU appears to have had a negative impact.

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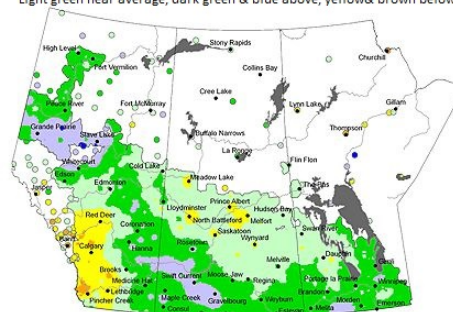


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Percent of Average Precipitation (Prairie Region)

April 1, 2016 to July 6, 2016

Light green near average, dark green & blue above, yellow & brown below.



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