

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	3-Feb-17 Year ago
SRW Wheat	Mar	158.09	154.51	171.50	Soybeans	Mar	377.36	385.54	318.75
HRW Wheat	Mar	161.86	159.56	166.82	Soya Meal	Mar	300.90	311.15	240.40
HRS Wheat	Mar	205.12	205.77	180.32	Soya Oil	Mar	746.51	755.55	688.53
CWRS Wheat	Spot	234.66	233.71	233.71	Canola	Mar	513.30	517.90	468.80
CPS Wheat	Spot	169.44	168.64	198.97	Crude Oil(WTI)	Mar	53.81	53.19	30.87
Corn	Mar	143.79	142.71	143.99	Dollar Index	Mar	99.86	100.56	97.05
Ethanol	Mar	40.42	39.68	37.94	DJIA Mini-sized	Mar	19,986	20,027	16,079
Oats	Mar	167.78	164.21	127.74	<i>Wheat</i>	<i>Dec</i>	<i>179.49</i>	<i>177.01</i>	<i>183.08</i>
Data in red are 12-month highs, in blue are 12-month lows					<i>Corn</i>	<i>Dec</i>	<i>154.62</i>	<i>153.24</i>	<i>153.24</i>
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					<i>Canola</i>	<i>Nov</i>	<i>501.80</i>	<i>505.10</i>	<i>489.00</i>

**COMMENT:** Wheat prices were mostly stronger supported by good demand, possibly linked to a stronger Russian ruble. Corn prices were slightly lower with good export demand offset by better field conditions in Argentina. For soybeans the completion of seeding in Argentina weighed on prices and, with the Chinese New Year being celebrated, export sales may have been slower than otherwise may have been the case. Stats. Can. Dec. 1 canola stocks estimate was regarded as neutral. Over arching all markets was uncertainty over the merging policies of the new US administration.

**NEWS:** Ag Canada's first situation and outlook forecasts for the upcoming 2017-18 crop year place the harvest of **all crops** at 88.1M tonnes. It uses trend/average yields, a small increase in total area - with a continued decline in summer fallow, and only minor adjustments between areas seeded to various crops. This is 4 percent less than this year but is partially offset by larger beginning stocks. With forecasts for exports and domestic use largely unchanged from this year, ending stocks at 14.2M tonnes are 7 percent smaller than the level predicted for the end of this crop year. Briefly, for **durum** a smaller seeded area and improved exports are the major factors expected to bring ending stocks down to more normal level. For **other wheat** ending stocks are anticipated to be reduced further as use will exceed output even with an increase in seeded area. Also with **barley** use - including an increase in exports, will exceed a smaller harvest with ending stocks expected to be 25 percent lower. A reduced supply of **corn** together with increased domestic use is forecast to offset lower exports resulting in smaller ending stocks. For oats a larger harvest will partly offset smaller beginning stocks but a further draw down in ending stocks is expected.

For **canola** the expectations are for a slightly larger seeded area with output about unchanged, as are exports, domestic use and ending stocks. **Soybean**

supplies are projected to increase due to another increase in area and, with limited increase in use, ending stocks are expected to be at the high end of a typical range.

For **peas**, lower yields with seeded area close to last year's record means reduced output but with exports about unchanged ending stocks are forecast to increase to a record level. For **lentils** a recovery in yields is expected to result in increased production and supply and in turn record ending stocks as growth in exports will be more limited.

**OPINION:** In a global context crop market prospects appear rather grim. Ag Canada projections for 2017-18 crop year, however, are relatively positive. The all-crops stocks to use ratio, a commonly used barometer of markets, is 15.6% compared to a 25-year average of 21.1%, and only five years in those 25 has this measure been lower than projected for the 2017-18 crop year. Against this, it is those international prospects that will shape prices even if sales are expected to hold up.

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