Crop and Related Prices

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	158.46	162.04	162.87
HRW Wheat	Mar	166.73	167.64	162.59
HRS Wheat	Mar	200.16	200.71	179.77
CWRS Wheat	Spot	231.22	236.43	231.73
CPS Wheat	Spot	172.28	175.69	196.81
Corn	Mar	143.30	144.97	139.56
Ethanol	Mar	39.86	40.18	36.64
Oats	Mar	163.24	166.48	110.88

Data in red are 12-month highs, in blue are 12-month lows

For price specs. go to: www.open-i.ca/PriceSpec.htm

Oilseeds & Other Prices   24-Feb-17

Commodity	Month	This week	Last week	Year ago
Soybeans	Mar	372.40	379.38	314.16
Soya Meal	Mar	300.54	308.07	233.37
Soya Oil	Mar	714.10	725.13	684.12
Canola	Mar	515.30	517.70	447.00
Crude Oil(WTI)	Apr	54.10	53.62	32.90
Dollar Index	Mar	100.11	100.89	98.16
DJIA Mini-sized	Mar	20,738	20,550	16,663
Wheat	*Dec*	*182.07*	*184.45*	*178.48*
Corn	*Dec*	*153.93*	*155.21*	*148.91*
Canola	*Nov*	*497.80*	*501.50*	*465.50*

COMMENT: US commodity markets this week focused the USDA's Ag Outlook Forum and particularly the publication of the first major commodity forecasts for the new crop year. A negative tone to the market was established early the week with continued improvement in South American crop prospects. While information from the conference was probably close to expectations, its confirmation probably reinforced negative perceptions. Last week's export sales data also failed to meet trade expectations. Canola prices were further pressured by tightening crush margins.

NEWS: This week's USDA Outlook Forum did not provide much in the way of light for the end of the tunnel. In a summary, it was noted

   "... record global crops for many grains and oilseeds and moderate demand growth over the past few years have contributed to stock building and price declines in recent years..."
And *"... Over the next several years, the agricultural sector as a whole will continue to adjust to lower prices for most farm commodities both in the United States and abroad. "*

Specifically, area planted to the 8 major US crops in 2017 is projected to decline by 1.4 percent from 2016 and by 5.0 percent from the record of 2014. Total wheat and soybeans areas are forecast to decline by 8.3 and 4.3 percent and soybean area to increase by 5.5 percent.
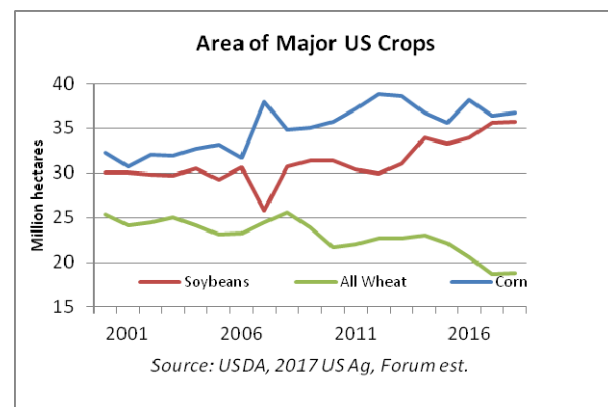
The salient feature of the first USDA supply demand balance projections for the 2017-18 crop years for wheat, corn and soybeans was the impact of using trend yields. This has resulted in substantially lower production estimates for all three crops.

For wheat, with both area and yield down, a projected 20 percent cut in output this year more than offsets the increase in carry-in and even with lower expectations for domestic and export use, ending stocks will decline by 20 percent to a bit below the carry-in for this year. Expectations for corn are somewhat similar. The 2017 harvest is projected to be down 7 percent offsetting an increase in carry-in stocks with supply 3 percent lower. A A decline in feed use is expected to be largely offset by an increase in industrial use, but ending stocks are expected to decline by 3 percent even after an allowance for a 15 percent cut in exports.

For soybeans a bigger area largely offsets the scenario of reduced yields but with a big increase in carry-in stocks supply will increase by 2 percent. Against this, after expectations for higher domestic crush and exports, ending stocks are expect to be unchanged from this year.

OPINION: Longer term production trends for the three major US crops seem likely to remain intact. Corn production has plateaued since ethanol use driven growth faded. Growth in Chinese demand for soybeans and products is expected to continue. Short season spring crop varieties appear to continue to eat away at wheat area.

Source: USDA, 2017 US Ag, Forum est.

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