

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	3-Mar-17 Year ago
SRW Wheat	May	166.54	164.61	169.30	Soybeans	May	381.22	376.72	322.80
HRW Wheat	May	173.34	171.59	172.24	Soya Meal	May	302.08	304.53	245.75
HRS Wheat	May	201.27	203.47	182.99	Soya Oil	May	757.98	720.28	682.58
CWRS Wheat	Spot	240.63	231.22	228.44	Canola	May	532.60	516.70	450.00
CPS Wheat	Spot	178.82	172.28	201.35	Crude Oil(WTI)	May	53.74	56.31	37.60
Corn	May	149.89	145.96	141.04	Dollar Index	May	101.54	100.13	97.37
Ethanol	May	40.44	40.87	36.96	DJIA Mini-sized	May	20,934	20,726	16,891
Oats	May	157.08	162.11	117.85	<i>Wheat</i>	<i>Dec</i>	<i>183.72</i>	<i>182.07</i>	<i>180.50</i>
Data in red are 12-month highs, in blue are 12-month lows					<i>Corn</i>	<i>Dec</i>	<i>157.18</i>	<i>153.93</i>	<i>148.91</i>
For price specs. go to: www.open-i.ca/PriceSpec.htm					<i>Canola</i>	<i>Nov</i>	<i>512.30</i>	<i>497.80</i>	<i>465.50</i>

COMMENT: It was a rather volatile week for prices of US biofuel implicated crops as rumours were propagated and denied. As expectations were highest for biodiesel, soya oil and canola benefitted most. Otherwise export sales data for last week for soybeans was about as expected and for corn at the lower end of the range of expectations. Weather forecasts did not seem to be threatening for South American crops. For wheat export sales were also at the low end of expectations but against mounting concerns over dryness in some US winter wheat areas were supportive earlier in the week. Prairie posted wheat prices were helped by a weak dollar as was canola.

NEWS: The main revision to Ag Canada's February Outlook for Field Crops, published Feb 17, was an increase of about 0.5M tonnes in aggregate exports for the current crop year resulting in a like cut in projected ending stocks for this and next year to 14.9M and 13.6M tonnes. While these levels are above the low 2013 level, they are towards the lower end of the range of recent years. The revisions were made in light of Stats Can's December stocks reports and the pace of exports to date.

The most significant revisions were for **canola** with the pace of exports and domestic use, relative to a year ago, suggesting a much tighter ending stocks situation than anticipated earlier. It seems exports and/or domestic use is expected to be limited by supply in 2017-18, see chart.

Conversely for **wheat and durum** ending stocks were raised offsetting much of the cut for canola. For wheat exports are lagging the pace of a year ago. For durum the December stocks report suggested use of off grades for feed has not been as great as earlier anticipated.

OPINION: It was only a matter of time before the change in the US administration was felt in crop markets. Reuters reported early Tuesday morning

that the US Renewable Fuels Association had issued a statement indicating that an executive order changing the national biofuels program was pending. Some futures contracts were limit up on the "news." When the administration failed to confirm that, much of the gains of earlier in the morning were lost. Later in the afternoon the rumour was denied. It seems, however, that the market did not believe the denial as prices recovered much of what was lost when the initial statement was not confirmed. Or perhaps there was a weather forecast suggesting the weather in South America was not totally favourable for crop development/harvest.

All this goes to show that politics is often less predictable than the weather, particularly at this point in time. The cynic suggests that the announcement will be confirmed in the lee of the revamped travel order when the press are distracted and it will be designed to benefit everybody to some degree, from the farm gate to the retail fuel pump.

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