

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	16-Jun-17 Year ago
SRW Wheat	Jul	170.95	163.79	176.83	Soybeans	Jul	345.03	345.94	426.05
HRW Wheat	Jul	173.98	165.90	169.30	Soya Meal	Jul	272.96	277.50	369.57
HRS Wheat	May	236.54	222.85	198.33	Soya Oil	Jul	729.76	711.90	703.96
CWRS					Canola	Jul	514.10	514.60	510.50
Wheat	Spot	266.03	265.45	235.77	Crude Oil(WTI)	Jul	44.69	45.82	48.04
CPS Wheat	Spot	189.46	183.12	201.77	Dollar Index	Jun	96.86	97.06	94.22
Corn	May	151.17	152.65	172.33	DJIA Mini-sized	Jun	21,322	21,242	17,606
Ethanol	Jul	41.50	40.95	44.06	Wheat	Dec	184.73	176.83	188.50
Oats	Jul	174.75	163.56	135.03	Corn	Dec	158.26	159.83	176.66
Data in red are 12-month highs, in blue are 12-month lows					Canola	Nov	488.20	494.90	513.00
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>									

**COMMENT:** US spring wheat crop conditions were very susceptible to adverse current weather. So wheat prices were about 5 percent higher in this week. Other crop prices were about unchanged from a week ago. Export sales data for wheat and corn was disappointing but the focus was on the weather. Oilseed market would probably have been drawn higher, but for the impact of the marketing of the large South American soybean crop.

**NEWS: Prairie provincial crop reports** indicate crops development is generally not a major concern. For **MB** as of June 12 - Seeding operations are estimated at 95 to 100% complete. Soil conditions remain dry in many regions. For **SK** as of June 12 -Seeding is 99% complete compared to the five-year average of 97%. Topsoil moisture conditions on cropland are rated 41% short or very short compared to 11% last year. For **AB** as of June 13 – Crop conditions are 80% good to excellent, above the 5-year average of 73%. Seeding is 96% complete with most of the remaining area in the Peace. Only 8% of top soil reports are poor or fair, compared to a 5-year average of 12%.

The **USDA** reported the **US** winter wheat harvest 17% percent completed, as of June 11, compared with a 5-year average of 18%, and last year's 16%. The US corn, soybean and spring wheat crops were placed at 67, 66 and 45% good or excellent last week, compared to 5-year averages of 65, 67 and 72%.

**Ag Canada's revisions** to its June forecasts increased all crop exports for the current crop year by about one percent and reduced ending stocks by 5 percent to 13.9M tonnes, compared to the previous 5-year average of 12.7M tonnes. For 2017/18 the supply forecast was cut slightly, exports raised slightly, but ending stocks reduced to 13.2M tonnes. With no Stats Can reports since the May revision, no adjustments were made to production.

Current year export forecasts for peas, barley, wheat and lentils were raised. Revisions to 2017/18 data was limited to adjustments in beginning stocks which were accordingly reflected in lower ending stocks. The exception was an increase in barley exports.

**OPINION:** There is little doubt that the US spring wheat crop is in trouble. The difference between current USDA ratings and those of the last few years is striking. What is in doubt is the impact of reduced supplies of high quality/protein wheat on prices. Not since 2002 and 2006 has the condition of the US spring wheat crop been as bad as it is now. In those two years US spring wheat yields were 83and 81 percent of average yields for the three preceding years. A reduction in US spring wheat output of this magnitude together with the lower quality of the US hard red winter wheat crop would have a material impact on higher quality wheat supplies but not on global wheat supplies. Hence the price impact will almost certainly be limited to protein premiums. We would also note that the highest US corn prices last year were in mid June, but by August with a record crop in prospect new crop had shed 25 percent of those values.

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