

Crop and Related Prices					Oilseeds & Other Prices					14-Jul-17
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	187.67	196.58	156.07	Soybeans	Sep	364.78	369.74	391.51	
HRW Wheat	Sep	188.68	199.52	152.03	Soya Meal	Sep	295.46	301.81	334.10	
HRS Wheat	Sep	279.81	281.73	182.53	Soya Oil	Sep	735.49	748.94	683.90	
CWRS Wheat	Spot	284.20	301.17	216.82	Canola	Nov	508.10	517.30	470.00	
CPS Wheat	Spot	206.23	216.55	179.04	Crude Oil(WTI)	Aug	46.50	44.20	45.90	
Corn	Sep	148.12	154.52	138.67	Dollar Index	Sep	94.92	95.78	96.62	
Ethanol	Sep	40.55	40.18	40.81	DJIA Mini-sized	Sep	21,586	21,362	18,421	
Oats	Sep	186.10	177.02	132.44	Wheat	Dec	196.49	204.94	165.26	
					Corn	Dec	153.34	159.34	141.04	

Data in red are 12-month highs, in blue are 12-month lows
For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: USDA reports this week weighed on prices but the impact of drought in the northern Great Plains does not appear to have fully played out. Even after allowing for the stiff head wind from the stronger Canadian dollar, before and after the Bank of Canada raised interest rates, Canadian hard red spring wheat prices do not appear to have kept pace with their US counterparts. The role of leader in this weather market appears to be switching from spring wheat to corn as the crop enters to the critical silking stage of development. Soybean export sales data continues positive but improved weather prospects weighed on prices.

NEWS: The USDA's July all US wheat production estimate was for 47.9M tonnes, down 24% from 2016. Winter wheat production at 34.8M tonnes was up 2 percent from the June estimate and down 24% from last year. This season's first survey estimates for durum and other spring wheat were respectively down 45 and 21% from 2016 output, at 1.6M and 11.5M tonnes. Both winter and other spring wheat production estimate were above the average, but within the range, of trade expectations.

The USDA's downward revision in its July domestic supply forecasts for **US wheat** for 2017-18 was largely offset by the increase in beginning stocks. Various use components were cut due to the short spring crops and the ending stock forecast was paradoxically again raised but is still 21% below last year's revised stocks.

USDA's projection for 2017-18 **global wheat** supplies were lowered only fractionally with increases in output from Russia and Turkey offsetting cuts in US and Australian output. The downward revision in global ending stocks was only marginal.

The 2016/17 US **corn** supply was revised up due to larger than earlier anticipated beginning stocks and seeded area. Changes in use items were largely offsetting with ending stocks raised by 10%. **Global coarse grain** output was raised slightly and, with use about unchanged, ending stocks were raised slightly. For **soybeans** a planted area related increase in the US production estimate largely offset a cut in the beginning stocks estimate. The 2018 ending stock forecast was cut by 7% but is still 12% above the 2017 level. An increase in **global oilseed**

supply estimates stemming from higher beginning stocks and output was partly offset by expectations for increased use. This week's USDA crop progress report placed the condition, as of July 9, of corn, soybean and spring wheat crop at 65, 62 and 35% percent good or excellent, compared to 5-years averages of 62, 60 and 70%, and down 3, 2 and 2 percentage points respectively from last week. By July 9, 19% of corn crop had reached the critical silking phase.

The Prairie provincial crop reports still indicate mostly favourable crop development.

For MB, as of July 10: Warm temperatures are resulting in rapid growth but rain would be welcomed in some regions.

For SK, as of July 10: Most crops are developing normally, but many areas still need significant rainfall. High temperatures and a lack of rain continue to damage crops.

For AB, as of July 11: Crop condition ratings have declined by 5% from a week ago to 70% good to excellent, compared with the 5 year average of 73%. This is mainly due to conditions in Southern and Central Regions.

OPINION: The July USDA global Supply and Demand forecasts suggest a relatively unchanged situation for wheat and oilseeds but an improvement in the bellwether 2018 ending stocks forecast for coarse grains from a year ago. Prices for almost all crops are well above year ago levels suggesting the market has a more positive take on prospects.

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