

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	12-Jan-18 Year ago
SRW Wheat	Mar	154.51	158.27	156.53	Soybeans	Mar	352.93	356.69	384.43
HRW Wheat	Mar	156.62	160.76	164.98	Soya Meal	Mar	287.57	292.01	302.90
HRS Wheat	Mar	231.12	230.29	214.13	Soya Oil	Mar	730.42	744.31	784.87
CWRS Wheat	Spot	243.98	246.39	239.04	Canola	Mar	492.90	490.30	500.10
CPS Wheat	Spot	180.41	192.60	167.55	Crude Oil(WTI)	Mar	64.13	61.47	53.22
Corn	Mar	136.31	138.28	141.13	Dollar Index	Mar	90.88	91.67	101.80
Ethanol	Mar	36.59	35.64	39.71	DJIA Mini-sized	Mar	25,743	25,155	19,790
Oats	Mar	161.78	161.13	157.24	SRW Wheat - New Crop	Dec	176.10	179.13	178.58
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn - New Crop	Dec	149.80	151.37	150.88
Data in red are 12-month highs, in blue are 12-month lows					Canola - New Crop	Nov	500.70	502.30	492.00

**COMMENT:** US wheat prices sustain losses this week as a result of disappointing export sales data for last week on Thursday and USDA reports on Friday which also failed to meet expectations. Corn prices likewise suffered from negatively construed reports. Soybean prices were higher as the negative element of Friday's USDA's reports, reduced exports was anticipated while the production estimate came in below expectations.

**NEWS:** Three USDA survey reports were published today.

The 2017 production estimates corn and soybeans were 371.0M and 119.5M tonnes, respectively 96 and 102 percent of 2016 output. The estimated corn yield was a record and above pre-report expectation but more than offset by a lower area. Conversely the soybean yield was below last year's record but offset by an increase in area.

December 1 US stocks of corn, soybeans and wheat were placed at 317.9M, 85.9M and 51.0M tonnes, respectively, 101, 109 and 90 percent of year earlier levels. Corn and wheat stocks were above but within the range of trade expectations. Soybean stocks were below average but within the range of trade expectations.

Last fall's planted area for all US wheat was surveyed at 13.2M hectares, down less than one percent from 2016. This is the second lowest US winter wheat area on record and the, and the fifth successive year that US winter wheat area has declined. The area was, however, slightly above the range of trade expectations.

The hard red winter wheat area, the largest class of US winter wheat, was down 2 percent which was partially offset by a 4 percent increase in the soft red winter wheat area. The areas of the three major classes of winter wheat were all above pre-report trade expectations.

The market implications of these three reports and other market factors were summarized in USDA's revised monthly Supply and Use forecasts.

The most significant revision for US wheat data was a cut in feed usage as a result of the larger than expected Dec 1 stocks. Forecast ending stock were raised three percent but are still 16 percent below last year. World wheat production was raised

1.8M tonnes mainly due to an increase in the Russian output estimate. But this was largely offset by a cut in Australian beginning stocks which in turn resulted in a large downward revision in that countries harvest last year. The USDA lowered its global ending stocks marginally but they are still at a record level.

Adjustments to US corn data resulting from Friday's reports included the upward revision in corn production and a cut in feed use. Forecast ending stocks were raised by less than 2 percent. The USDA's adjustments to its global coarse grain forecasts were minor. Ending stocks were raised by less than one percent and are still 10 percent below last year's level. For soybeans the cut in the production estimate was more than offset by a reduced export forecast. Anticipated ending stocks were raised by over 5percent and are now 56 percent above last year's level. Globally oilseed output was raised slightly with higher expectation for the Brazilian soybean harvest generally offset by poorer prospects elsewhere and for other oilseeds. Oilseed use was left unchanged with ending stocks raised slightly to a level about 3 percent above a year ago.

**OPINION:** The divergent trends in US corn and soybean yields last year may reflected the reality of production in more marginal situations than the response of these two crops to essentially the same weather in the same locations. An increase in soybean area probably results in more soybeans being grown in more marginal situation. At the same time the contraction in corn area probably resulted in less corn grown in more marginal situation. No proof just a suggestion.

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