

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	9-Feb-18 Year ago
SRW Wheat	Mar	164.98	164.15	164.98	Soybeans	Mar	359.47	359.63	389.12
HRW Wheat	Mar	171.04	170.22	169.21	Soya Meal	Mar	311.88	300.63	310.34
HRS Wheat	Mar	221.75	221.84	210.36	Soya Oil	Mar	704.62	716.75	763.05
CWRS Wheat	Spot	244.71	235.69	235.97	Canola	Mar	497.90	493.40	527.80
CPS Wheat	Spot	202.41	194.42	172.12	Crude Oil(WTI)	Mar	59.01	65.36	53.78
Corn	Mar	142.51	142.32	147.43	Dollar Index	Mar	90.33	89.00	100.84
Ethanol	Mar	37.06	37.86	42.00	DJIA Mini-sized	Mar	23,900	25,639	20,227
Oats	Mar	172.16	173.45	165.02	SRW Wheat - New Crop	Dec	187.30	186.02	184.82
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn - New Crop	Dec	154.42	154.52	157.18
Data in red are 12-month highs, in blue are 12-month lows					Canola - New Crop	Nov	505.20	496.80	507.30

COMMENT: While there does not seem to be any direct connection between stock and grain markets, the latter were noticeably more volatile than usual possibly influenced by the former. US wheat prices continue to be supported by dry conditions in the southern Great Plains which more than offset a slightly bearish USDA report on Thursday. Corn prices were supported by favourable news from the demand side and confirmation of prospects for a reduced Brazilian harvest. Weather forecasts had a variable influence on soybean markets with the larger than expected increase in the USDA's US soybean ending stock weighing on values. Meal prices traded at 12 month highs as a result of at least temporary tightening of the Argentinean supply situation. A weaker Canadian dollar boosted wheat and canola prices.

NEWS: StatsCan's Dec 31 survey of grain stocks placed stocks for 11 major crops at 68.8M tonnes, 3% above a year earlier, 4% above a 5-year average and the highest level since 2013. The largest increases were for corn and soybeans, mainly Eastern Canada.

With no major USDA survey results published this month, its February 2017-18 domestic supply and demand forecast revisions released on Thursday were limited. US exports of **wheat** were lowered by 0.7M tonnes and ending stocks raised by 0.5M tonnes which would be the highest level since the late 1980's. Global production estimates for wheat were raised by 1.3M tonnes mainly due to higher forecast for Argentina and the Ukraine. Use was raised by 3.1M tonnes and ending stocks lowered by 1.9M tonnes but still 5 percent above last year.

Forecasts of US **corn** exports were raised 3.2M tonnes as it is currently competitively priced. Projected US ending stocks were correspondingly lowered by 3.2M tonnes. The increase in the forecast for **world coarse grain** use more than balances an increase in output and ending stock projection were cut further. They are now 16 percent below last year's level.

The forecast for US **Soybean** exports for the current crop year were lowered 1.4M tonnes and ending stocks were raised 14.4M tonnes 76 percent above a year ago. The USDA's raised its projection for **global oilseed** output by 2.4M tonnes which was partially offset by a cut in usage. Ending stocks are forecast to be slightly lower than expected last month but still at a record level. Continuing to be supportive of the three major markets are the Chinese holding of stocks estimate by the USDA to be 48, 39 and 21 percent of total global ending stocks, respectively for wheat, corn and soybeans.

OPINION: The increase in grain stocks at December 31 is a good news, bad news story – good news that farmers still have plenty left to sell, bad news that the cash flow has been delayed. What is somewhat unusual is that it does not seem that the rail companies are being blamed for delays this time. Perhaps it is because the railway play a minor roles in grain transportation in Eastern Canada where much of the increase in grain stocks is occurring. Or perhaps it is because there are bigger issues to occupy us.

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