Crop Market Summary

For the week ending Friday, 13-Apr-'18

Crop and Related Prices				
Commodity	**Month**	**This week**	**Last week**	**Year ago**
SRW Wheat	May	173.62	173.52	157.91
HRW Wheat	May	182.16	186.20	156.99
HRS Wheat	May	226.71	223.13	194.84
CWRS Wheat	Spot	251.31	241.28	232.45
CPS Wheat	Spot	202.93	201.91	165.05
Corn	May	152.06	150.39	146.06
Ethanol	May	39.31	37.88	44.12
Oats	May	151.89	151.24	146.22

Oilseeds & Other Prices				13-Apr-18
Commodity	**Month**	**This week**	**Last week**	**Year ago**
Soybeans	May	387.37	379.84	351.09
Soya Meal	May	347.26	350.43	288.02
Soya Oil	May	694.04	695.14	687.65
Canola	May	523.70	531.80	500.00
Crude Oil(WTI)	May	67.49	62.04	53.17
Dollar Index	Jun	89.48	89.79	100.46
DJIA Mini-sized	Jun	24,379	23,818	20,455
SRW Wheat - New Crop	*Dec*	*195.20*	*194.10*	*175.18*
Corn - New Crop	*Dec*	*161.70*	*162.39*	*155.31*
Canola - New Crop	*Nov*	*514.20*	*522.30*	*480.50*

For price specs. go to: www.open-i.ca/PriceSpec.htm

Data in red are 12-month highs, in blue are 12-month lows

COMMENT: The declining condition of the US winter wheat crop as reported by the USDA on Monday seemed to have been discounted by the market as prices have drifted lower since with a somewhat negative USDA forecast for ending stocks, improved weather forecasts for moisture and disappointing export sales data for last week. US corn prices were supported by early season delays with field work in the US Corn Belt which were seen as potentially resulting corn area being shifted to soybeans. Soybean prices continue to be supported by declining estimates for Argentinean production against disappointing US export sales report for last week. Canola price may have shown independent strength based on demand possibly benefiting from the potential Chinese tariff on US soybeans.

NEWS: The USDA's April 9 crop report further reduced the condition of the US winter wheat crop, now rated as only 30 percent good or excellent, down two points from the previous week, 13 points from a year ago and 14 points above the 5-year average. Very early reports on spring planting progress indicated 2 percent completion for both corn and spring wheat. This compares with 8 and 3 last year and 5-year averages of 4 and 11.
Prairie provincial crop reports are still several weeks away with Stats Can reporting seeding intentions on April 27.
Tuesday's **USDA April supply and demand forecast** revisions were the last to focus on the 2017-18 crop year, before the first for 2018-19 in May. With no new survey data, the forecasts for domestic data were largely anticipated and attention was focused of South American estimates.
For **US wheat** a 30 percent cut in US animal feed use was of limited significance as little wheat is fed in the US. It resulted in a 3 percent cut in this year's ending stocks which are forecast 10 percent below last year. The forecasts for global wheat supplies was raised 3mmt (million tonnes) as a result of revisions to previous years' data. The ending stock forecast was raised to a record 271.2mmt
For **US corn** revisions, the only noteworthy change was a 1.4mmt cut in feed use and an offsetting increase in the ending stock expectation which is still below last year. Globally worsening conditions for Brazilian and Argentinean corn crops have resulted in a 7.0mmt cut in the global output expectation. And while this is partially offset by reduced feed use, ending stocks expectation have been reduced and now are expected to be about 15 percent below last year's level.
The projection for **US soybean** domestic crush was raised, exports were left unchanged and the ending stocks forecast lowered by less than one percent. Global oilseed output was cut by 5.7 percent with lower output from Argentina, India and Uruguay only partially offset by an increase in Brazilian harvest expectations. The ending stock forecast is now more than 4 percent below last year's level.

OPINION: That the soybean market would be implicated in the current sabre rattling by the US and China was generally expected. China's imports consistently and increasingly dominate world soybean trade. While US soybean exports are not as dominant in world trade, the Chinese market is critical for American prospects and thus an obvious target.
That a means of laundering US soybeans into oil and meal by way of Argentina should emerge when the import tariffs on US beans were threaten but yet to be imposed, was not so obvious. Argentina has a short soybean crop and a large crushing industry supported by export tariffs on soybeans which are in turn designed to control domestic prices.
If cooler heads prevail and Chinese import tariffs on US soybeans are not imposed, the business through Argentina is likely to be cancelled. But somebody saw an opportunity.

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