

Crop and Related Prices					Oilseeds & Other Prices					11-May-18
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Jul	183.26	197.41	159.01	Soybeans	Jul	368.63	380.94	353.84	
HRW Wheat	Jul	190.33	204.20	161.40	Soya Meal	Jul	343.45	357.15	284.21	
HRS Wheat	Jul	222.30	228.92	200.81	Soya Oil	Jul	690.29	678.39	724.02	
CWRS Wheat	Spot	249.87	255.83	242.89	Canola	Jul	532.30	527.10	523.90	
CPS Wheat	Spot	208.62	224.05	177.8	Crude Oil(WTI)	Jul	70.51	69.51	47.84	
Corn	Jul	156.09	159.93	145.96	Dollar Index	Jun	92.45	92.43	99.13	
Ethanol	Jul	38.94	39.76	40.18	DJIA Mini-sized	Jun	24,765	24,264	20,848	
Oats	Jul	151.73	152.38	156.27	SRW Wheat - New Crop	Dec	197.41	206.87	171.32	
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	163.18	165.74	153.04	
Data in red are 12-month highs, in blue are 12-month lows					Canola - New Crop	Nov	519.50	520.00	504.20	

**COMMENT:** US wheat prices were pressured by improved moisture forecast for the drought stressed hard red winter crop in the southern US Great Plains and production estimates indicating other classes of wheat more than offsetting reduced harvest prospects for hard red winters. Corn prices were supported early in the week by an announcement of adjustment to regulations enhancing the use of high ethanol blended gasoline. Thursday's USDA reports appear relatively neutral but the uncertainty surrounding the unresolved trade issues between the US and China must pressure prices.

**NEWS:** The USDA's first survey based 2018 winter wheat production estimate placed output at 32.49M tonnes, down 6% from 2017 – harvested area is down 2% and yield down 4%. Hard red winter output is down 14%, soft red winters are up 8% and white winter wheats up 2%. With allowance for spring durum and wheat - made using trend yields, total US wheat production would be 49.6M tonnes, up 5%.

The salient feature of the USDA's initial assessment of US and global 2018-19 supply and demand published Thursday were the decline in US ending stocks for wheat and corn for a second year. Soybean ending stocks are expect to decline but will still be above the level of two years ago. Globally for wheat, coarse grains and oilseeds a second year of lower ending stocks is forecast.

On the 2018/19 supply side for **US wheat** the increase in anticipated output was more than offset by reduced beginning stocks. Small increases in domestic use and exports are expected to further reduce ending stocks. **Global wheat** supplies are expect to increase fractionally but, with expected use up slightly, global ending stock are forecast to decline a little over two percent from this year's record level. The USDA's data indicates that over 52 percent of global stocks will be held in China presumably mainly by their government. **US corn** supplies are projected to be lower with both beginning stocks and output lower. Use is expected to be reduced by a less amount resulting in a 23 percent cut in ending stocks to the lowest level since 2014. The USDA's **global coarse grain** outlook is for higher production,

increased use and lower 2019 ending stocks - 30 percent lower than in 2017 and the lowest since 2013.

For **US soybeans** higher supplies more than offset by increased domestic use and export is expected to result in lower ending stocks. **Globally for oilseeds** a parallel situation is expected. The annual increase in Chinese imports of oilseeds is only expected to decline from 8 to 7 percent.

StatsCan's survey of March 31 **Canadian crop stocks** in all position totalled 46.1mmt (million tonnes), 3 percent above a year ago and 9 percent above a five-year average. Stocks of durum, barley and flax were lower than a year ago but were more than offset by increases for canola, corn, oats, soybeans, peas and lentils. Stocks were 42 percent of total crop year supplies, slightly above the five-year average of 41 percent for this measure.

**OPINION:** The USDA's projections for lower 2019 stocks for the three major crop commodities, if it comes about, is very positive for longer term prospects. And more so because the draw down in stocks appears to be more the result of growth in demand than the one offs of major crop failures.

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