

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	191.07	192.26	163.79	Soybeans	Jul	356.14	375.25	345.94
HRW Wheat	Jul	197.77	198.69	165.90	Soya Meal	Jul	324.58	339.46	277.50
HRS Wheat	Jul	217.62	221.93	222.85	Soya Oil	Jul	672.87	687.65	711.90
CWRS Wheat	Spot	253.31	255.68	265.45	Canola	Jul	517.50	530.30	514.60
CPS Wheat	Spot	226.71	226.77	183.12	Crude Oil(WTI)	Jul	65.81	65.73	45.82
Corn	Jul	148.71	154.13	152.65	Dollar Index	Sep	93.14	93.75	97.06
Ethanol	Jul	38.23	39.04	40.95	DJIA Mini-sized	Sep	25,297	24,651	21,242
Oats	Jul	156.11	159.51	163.56	SRW Wheat - New Crop	Dec	205.40	206.41	176.83
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn - New Crop				
Data in red are 12-month highs, in blue are 12-month lows					Canola - New Crop				
					Nov				
					511.10				
					523.00				
					494.90				

**COMMENT:** Crop markets were pressured this week by generally very favourable early North American spring crop development. In the case of wheat this was largely offset by less favourable situations elsewhere including the Black Sea region, Europe and Australia. For corn long term fundamental did not appear to be very supportive. The soy complex was further pressured by unresolved trade negotiations.

**NEWS:** USDA weekly crop progress report for last Sunday, June 3, indicates that US spring seeding is nearing completion ahead of average despite a slow start, and likewise crop emergence was ahead of usual. And further early indications are that the condition of spring seeded crops is above average despite the rather dismal condition of much of the US winter wheat crop.

Spring planted was reported to be 97, 87 and 97 percent complete, respectively, for corn, soybeans and spring wheat compared to 5-year averages of 90, 75 and 94. Crop emergence for corn soybeans and spring wheat was at 86, 68 and 81 percent compared to 5-year averages of 83, 52 and 82. Very early crop ratings place the three crops at 78, 75 and 72 percent good/excellent, compared to 5-year averages of 68, 65 and 72 percent. Last year's spring wheat crop had already slid to 45 percent by early June. The South Dakota spring wheat crop - the worst effected by last year's drought, ratings stood at 25 percent good/excellent compared to the current rating of 58 percent. Further sub soils were rated as 43 percent adequate a year ago compared to 68 percent at present.

US winter wheat was reported 5 percent complete compared to 9 percent last year and a 4 percent 5-year average. Of the major winter wheat states progress is most advanced in TX and OK, but progress is likely to be rapid in TX, OK and KS where yield prospects are poor. Crop condition ratings dropped one percentage point to 37 percent good/excellent compared to 49 percent last year and a 43 5-year average.

CGC weekly data indicate a sharp recovery in farmers' marketing over the last two weeks from the low for the week ending June 20. The 1.2 million tonnes in week ending June 3 is the highest since the first week in April. While this almost certainly marks the end of the seeding season it also probably

indicates farmers are anxious to clear farm stocks before the 2018 crop is harvested and are not phased by low sub soil moisture and a possible second year of disappointing yields over much of the southern Prairies. Primary elevator stocks also increased last week after 10 successive weeks during which they almost halved. If the recovery in farmers' deliveries is sustained it seems likely that there will be sufficient grain in commercial position to enable export of Canadian crops to set another record.

**OPINION:** Only a cynic would suggest a linkage between the CP's decision to invest in grain railcars to the benefit of farmers and the unions manufacturing them, and the recent labour challenge faced by CP.

While it is probably not possible to separate cause and effect of the threat of railway worker industrial action, railways announcing investment in crop movement infrastructure, and continuing prospects for expanding business in grain movement, politicians are interested.

What is evident is that most farmers are far from being alone as captive shippers and this why governments have been, and are likely to continue to be, more willing to intervene in rail than other commercial issues.

One only has to observe railcars at country elevators to see where investment has and has not occurred. It is very positive to see that the railways have plans to change this, no doubt realizing that growth is real and consistent.

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