

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	13-Jul-18 Year ago
SRW Wheat	Sep	177.47	185.56	187.67	Soybeans	Sep	300.84	322.43	364.78
HRW Wheat	Sep	180.69	188.50	188.68	Soya Meal	Sep	295.73	306.71	295.46
HRS Wheat	Sep	195.39	205.12	279.81	Soya Oil	Sep	616.65	639.80	735.49
CWRS Wheat	Spot	231.22	237.05	284.2	Canola	Nov	485.10	523.20	508.10
CPS Wheat	Spot	200.95	207.89	206.23	Crude Oil(WTI)	Sep	69.75	71.56	46.50
Corn	Sep	134.34	141.82	148.12	Dollar Index	Sep	94.50	93.79	94.92
Ethanol	Sep	36.80	38.04	40.55	DJIA Mini-sized	Sep	25,011	24,483	21,586
Oats	Sep	153.68	155.95	186.10	SRW Wheat - New Crop	Dec	188.31	194.74	196.49
					Corn - New Crop	Dec	139.66	146.84	153.34

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: With no end in sight for favourable US spring crop development or the US-China trade war all US ag commodity prices were lower again this week.

NEWS: Prairie provincial crop reports indicate that only in AB are crop conditions slipping.

For MB, as of July 9: Warm conditions and rainfall have advanced crops.

For SK, as of July 9: Fall cereals, spring cereals, oilseeds and pulses are respectively 81, 77, 75 and 79 % at normal development. Cropland top soil moisture is 59 percent adequate, compared to 41 percent last year.

For AB, as of July 10: Crop condition ratings have declined to 73% good or excellent from 78% last week, compared with a 5-year average of 69%. Conditions are lower for all regions. This week's USDA **US crop progress** report placed the condition, as of July 8, of corn, soybean and spring wheat crops at 75, 71 and 80% good or excellent, compared to 5-years averages of 61, 59 and 69%, and down 1, unchanged and up 3 percentage points respectively from last week. By July 8, 37% of corn crops had reached the silking phase. The USDA's July all US **wheat production** estimate was for 51.2mmt, up 8% from 2017. Winter wheat production at 32.5mmt was down less than one percent from the June estimate and down 6% from last year. This season's first survey estimates for durum and other spring wheat were respectively up 36 and 47% from 2017 output, at 2.0 and 16.7 mmt. The winter wheat estimate was just below and other spring wheat slightly above the average trade expectations. The USDA Supply and Demand estimates included an increase to its US wheat ending stock forecast for 2018-19 by 4% as a result of a similar increase in supply with higher export expectations largely offset by reduced feeding. The ending stock figure is still 3% below the beginning stocks. The reduction in USDA's projection for 2018-19 **global wheat** production were quite significant with output from the EU, Australia, Russia and the Ukraine all revised lower. Global ending stock forecast was cut to a level 5% below beginning stocks.

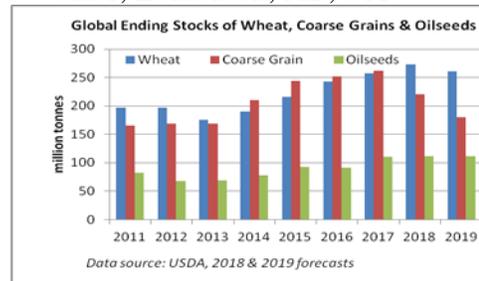
For 2018/19 US **corn** supply a weather-adjusted trend yield estimate resulted in an upward revision in output offsetting

reduced beginning stocks resulting from exports exceeding earlier expectation in the current crop year. Small increases in domestic use and exports forecasts result in a small reduction in the end stock expectation. **Global coarse grain** supply was in aggregate virtually unchanged from last month but a small increase in consumption is expected to result in a further small reduction in ending stocks.

For **soybeans** the recently imposed 25% Chinese tariff on US soybeans, the impact of which is included in the USDA's July revisions, complicates forecasts. On the supply side an upward revision in output offsets a cut in beginning stocks. While US exports to China will be replaced to some degree by those to other destination, US exports in total will be lower assuming the Chinese tariffs remain in place for the duration of the crop year. Export expectations were cut by 10% and ending stocks raised by 51%. Note the USDA does not necessarily expect the tariff to remain in place for any specific period of time but forecasts on the basis of the status quo. An increase in **global oilseed** supply estimates stemming from higher beginning stocks and a cut in Chinese use resulting from the price impact of the import tariff on US soybeans is forecast. This results in 10 percent increase in ending stocks to a level about equal to beginning stocks.

OPINION: With "trade war" developments so uncertain it is probably a good time to look into the more distant future or at least to the end of the 2018/19 crop year. Trends in USDA global ending stocks projections are positive, if only marginally for oilseeds... with no end to the trade war.

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