

Crop and Related Prices					Oilseeds & Other Prices					20-Jul-18
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	189.60	177.47	183.44	Soybeans	Sep	312.23	300.84	372.68	
HRW Wheat	Sep	186.84	180.69	182.25	Soya Meal	Sep	296.55	295.73	300.95	
HRS Wheat	Sep	203.38	195.39	285.04	Soya Oil	Sep	622.17	616.65	748.05	
CWRS Wheat	Spot	234.70	231.22	287.15	Canola	Nov	490.30	485.10	504.80	
CPS Wheat	Spot	505.88	200.95	197.48	Crude Oil(WTI)	Sep	68.14	69.75	45.82	
Corn	Sep	139.85	134.34	149.50	Dollar Index	Sep	94.24	94.50	93.70	
Ethanol	Sep	37.70	36.80	40.44	DJIA Mini-sized	Sep	25,025	25,011	21,515	
Oats	Sep	151.24	153.68	191.77	SRW Wheat - New Crop	Dec	195.85	188.31	191.99	
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn - New Crop	Dec	145.27	139.66	154.91	
Data in red are 12-month highs, in blue are 12-month lows										

COMMENT: US crop futures prices were generally higher this week with US crop ratings coming in lower than expected although weather forecasts are still favourable and the trade policy nonsense continues. Wheat prices were further supported by continued concern over European wheat harvests. Corn prices were supported by solid export demand. Export demand has emerged to replace lost Chinese soybean business. Further, the discount of US to Brazilian prices is suggesting Chinese interest may return even with the 25 percent tariff. Japan has resumed buying Canadian wheat five weeks after the announcement of the finding of isolated GM wheat plants in southern Alberta.

NEWS: The USDA weekly crop progress reports continue to indicate above average conditions for spring wheat, corn and soybeans, although the condition ratings for both corn and soybeans fell last week.

The July 15 assessment placed spring wheat, corn and soybeans at 80, 72 and 69 percent good or excellent, unchanged, down 3 and down 2 percentage points from a week earlier, and 13, 11 and 10 points above 5-year averages. The corn crop was reported to be 63 percent in the critical silking phase of development, 26 percent points ahead the 5-year average. The soybean crop was reported to be 26 percent in the podding phase of development, 15 percent points ahead the 5-year average. For both crops this equates to about a week ahead of the average. All but 7 percent of the spring wheat crop was heading, also ahead of average.

Winter wheat harvesting had reached 74 percent complete, about the same as last year and the 5-year average, with current activity centred in the northern Great Plains and just starting in the Pacific North West.

Ag Can's July crop market Outlook, which made adjustments for Stats Can June 2018 area estimates, raised production projections with an increase in expected harvest area. This was more than offset by higher domestic use and export expectations with ending stocks down marginally.

The most significant adjustment was to canola with expectation for increase export and domestic crush only partially offsetting increased production. Ending stocks are expected below beginning stock and only slightly above a

five-year average. For flax and soybeans lower output is expected to result in lower ending stocks. Durum output is expected higher with exports, domestic use and ending stocks all higher. Lower wheat production is expected to be offset mainly by reduced exports. With an increase in barley output exports, feed use and ending stocks are expected higher. Corn supplies are expected lower with lower net exports and use ending stocks will still be lower. Lower oats output is offset by reduced feed use. Both pea and lentil expected production were revised lower with that lower ending stocks.

The only revisions to the aggregate forecast for 2017-18 were a small increase in beginning stocks largely offset by increased domestic consumption.

OPINION: The three percentage point cut in the good and excellent July 15 rating of the US corn crop came as something of a surprise in view of generally favourable weather reports. It seems to have lowered expectation from record yields to above average. And it raises the issue as to whether mid July ratings are a good predictor for harvest yields. Over the last 15 years the relationship has been quite tight. And years when this was not the case are interesting. In 2017 crop ratings improved later in the summer against the average trend of declining ratings with higher yield reflecting that. Conversely in 2003 rating slipped faster than average after mid July with lower yields.

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