

Crop and Related Prices					Oilseeds & Other Prices					10-Aug-18
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	200.90	204.39	161.40	Soybeans	Sep	312.60	327.66	344.93	
HRW Wheat	Sep	205.67	208.43	162.13	Soya Meal	Sep	291.83	299.90	271.69	
HRS Wheat	Sep	223.68	225.15	247.65	Soya Oil	Sep	619.52	628.78	740.12	
CWRS Wheat	Spot	268.60	263.36	267.73	Canola	Nov	504.90	494.00	506.80	
CPS Wheat	Spot	235.55	233.19	174.63	Crude Oil(WTI)	Sep	67.66	68.48	48.85	
Corn	Sep	140.84	145.56	142.02	Dollar Index	Sep	96.23	94.97	92.91	
Ethanol	Sep	35.72	38.07	41.61	DJIA Mini-sized	Sep	25,232	25,388	21,870	
Oats	Sep	166.48	161.94	171.18	SRW Wheat - New Crop	Dec	209.26	213.02	171.59	
					Corn - New Crop	Dec	146.35	151.27	147.53	

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: US crop commodity prices were more stable this week than they have been for some time, until the negatively construed USDA production estimates and supply and demand forecasts were published on Friday. Corn and soybean production estimates were above trade expectations with supposition that the much earlier than usual development of these crops would detract from yields seemingly refuted. Canola prices avoided the melt down in the soya complex with a weaker Canadian dollar and hot weather in western Canada supportive.

NEWS: USDA's first survey based 2018 production estimates for corn and soybeans reported Friday were, respectively, for 370.5 and 124.9 mmt, down less than one and up 4 percent from last year. Both the corn and soybean estimates were well above average trade expectations. All wheat production of 41.1 mmt is down less than one percent from the July estimate and 8% from 2017. Durum and other spring wheat output estimates were 2.0 and 16.7 mmt, respectively, down 2% and up slightly from the July estimate, and up 33 and 48% from last year. Winter wheat production at 32.4 mmt was down less than one percent from the July estimate and down 6% from last year. The all wheat production estimate was slightly above trade expectations.

The USDA's adjustments to **US 2018-19 wheat** supply and demand projections included small revision to supply and domestic use but a 1.7mmt tone increase in exports resulted in a 15 percent cut in ending stocks. **Global wheat** supply were lowered 7.0 mmt mainly resulting from a substantial cut in EU harvest prospect. The feed use expectation was lowered 5.0 mmt and ending stocks by 1.9 mmt, to a level slightly above those of 2017.

With record yields now forecast, **US corn** supply was raised by 2 percent. Feed use and exports were raised with ending stocks raised by almost 9%. But end stocks are still forecast below levels seen in recent years. **Global coarse grain** output was raised by over 5 mmt with the increase in US corn output offset to some degree by lower harvest expectations elsewhere. Feed use was raised in the context of reduced

global wheat supplies but ending stocks were raised by 2 percent but are still the lowest since 2013.

The supply of **US soybeans** for the upcoming crop year were revised upwards by 4% with higher production offsetting reduced beginning stocks, which resulted in the main from an upward revision of this year's exports. The 2018-19 domestic crush and export forecasts were also increased, but the ending stocks forecast was still raised by 35%. The forecast for 2017-18 **global oilseed** production, use and ending stocks were all raised. The ending stocks was raised by 7% to almost 120 mmt, a record level.

It is worth noting that the USDA's forecasts are made on the basis of the status quo for trade interventions for the duration of the forecast period.

Meanwhile Prairie provincial crop reports indicate that in many areas hot and dry weather has reduced crop yield prospects.

OPINION: Significant as the USDA's revisions to its global crop supply and demand estimates might be, they have made limited inroads into trends in the ending stock prospects for the three major crop groups. The coarse grain situation is still tighter than it has been for some years. The increase in global ending stock of wheat stocks appears to have stalled. But world stocks of oilseeds continue to build.

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