

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	24-Aug-18 Year ago
SRW Wheat	Sep	189.14	205.95	150.47	Soybeans	Sep	309.38	323.90	345.03
HRW Wheat	Sep	190.79	207.60	148.63	Soya Meal	Sep	283.67	299.45	268.97
HRS Wheat	Sep	210.45	223.59	239.02	Soya Oil	Sep	620.62	622.39	763.05
CWRS Wheat	Spot	254.44	257.35	252.32	Canola	Nov	498.10	510.90	500.90
CPS Wheat	Spot	220.96	226.05	151.76	Crude Oil(WTI)	Oct	68.65	65.21	47.70
Corn	Sep	137.20	143.40	133.36	Dollar Index	Sep	95.06	96.08	92.69
Ethanol	Sep	34.61	35.85	39.63	DJIA Mini-sized	Sep	25,795	25,709	21,847
Oats	Sep	168.27	167.78	156.43	SRW Wheat - New Crop	Dec	197.13	213.02	159.84
					Corn - New Crop	Dec	142.81	149.11	139.17

For price specs. go to: [www.open-i.ca/PriceSpec.htm](http://www.open-i.ca/PriceSpec.htm)

Data in red are 12-month highs, in blue are 12-month lows

**COMMENT:** Last week's gains in US farm commodity prices were more than lost this week with favourable spring crop development and no resolution of the US-China trade war in sight. For wheat disappointing US export sales data and continued pressure from the Black Sea region export sales was evident. US crop tour reports tended to confirm expectation for record yields of corn and soybeans and a seeming absence of progress by the US and China in resolving their trade differences pressured prices.

**NEWS:** Ag Can's August revisions to its Outlook for Principal Field Crops published last Friday were relatively positive. Ending stocks for the crop year ending July 31, 2018 were revised lower on account of upward revisions for exports of durum, oats, barley, corn and peas. Aggregate ending stocks of all crops were estimated at 15.5mmt, up 5 percent from a year earlier but not exceptional in the context of recent years.

With Stats Can's first production estimate not published until next Friday, supply estimates for this crop year were mainly limited to the reduced beginning stocks. But durum and corn yields were, however, reduced from earlier trend yield estimates. For durum the combination of lower yields, reduced beginning stocks and a small upward revision in export brings ending stocks below the level of the year just completed. No revisions were made to the other wheat data with ending stocks forecast at the lowest level since 2013. For barley, with lower beginning stocks and increase feed use ending stocks the ending stock forecast has been lowered to the lowest since 2013. For corn a tightening supply situation only partially offset by reduced use forecasts is expected to result in ending stock below 2mmt for the first time since 2014. For oats the export forecast has been raised again to the highest level since 2008/09 with ending stocks expected at a lower level than for the last two years.

Forecasts for canola for both last and this crop year were unrevised with a small reduction in ending stocks expected. The forecast for soybeans was similar but US-China trade development could materially change prospects.

With the reduced 2018 ending stock estimate carried forward to 2019, the supply balance for field peas begins to look quite

tight, in marked contrast to the situation in the spring. The situation for lentils is only marginally improved by the August revisions.

Prairie provincial crop reports suggest declining overall yield prospects with better conditions in more northerly areas not offsetting poor prospects further south.

**OPINION:** It may be dangerous to read too much into US export sales reports. There is almost always some element of speculation in sales commitments especially where the option of cancellation is possible. Bearing in mind, however, that the system of reporting was set up almost 50 years ago to avoid over commitment as was the case of sales to the Soviets at the time, it may have some relevance to the prospect of under commitment resulting from current trade challenges. Other things being equal, with this year's prospect of abundant new crop US soybean supplies relative to the previous two crop years, it would be reasonable to expect new crop sales to be running ahead of those years. This indeed appears to have been the case in the spring before the Chinese imposed import tariffs on US soybeans. Since then it seems sales to other markets have not made up for the loss of Chinese business.

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