

Crop and Related Prices					Oilseeds & Other Prices					21-Sep-18
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Dec	191.62	187.95	165.16	Soybeans	Nov	311.31	305.16	361.65	
HRW Wheat	Dec	193.00	189.69	165.44	Soya Meal	Dec	280.22	277.41	289.38	
HRS Wheat	Dec	214.03	210.27	233.23	Soya Oil	Dec	624.81	628.12	757.09	
CWRS Wheat	Spot	254.51	238.55	231.73	Canola	Nov	489.70	490.50	494.80	
CPS Wheat	Spot	216.85	201.42	172.04	Crude Oil(WTI)	Nov	70.81	68.73	51.00	
Corn	Dec	140.64	138.48	139.17	Dollar Index	Dec	93.85	94.52	91.93	
Ethanol	Dec	34.00	33.52	38.70	DJIA Mini-sized	Dec	26,773	26,163	22,283	
Oats	Dec	164.05	156.76	160.81						

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 wheat prices were stronger over the week supported by a weaker US dollar and concern about crop development in Australia. Corn prices continued to drift lower following the larger than expected production estimate the previous week but with very positive export sales data price have reversed direction abruptly. Soybean prices were higher despite seemingly worsening trade relations between the US and China.

NEWS: StatsCan's September estimate of crop production – model as opposed to survey based for a third year, published on Wednesday suggested better yields than their July estimate and hence better production prospects for all major crops. Production of 18 crops for which estimates were made totalled 93.2 million tonnes slightly more than in 2017 and slightly less than in 2016. Stats Canada noted that August on the Prairies had been cooler than usual resulting in more favourable conditions crop development.

Sept 2018 Production Estimates

	million tonnes	% of 2017 Final	% of July '17
Spring Wheat	22.9	103	106
Durum	5.7	115	113
Winter Wheat	2.4	84	100
Canola	21.0	98	110
Corn	14.5	103	105
Barley	8.2	104	103
Soybeans	7.5	97	107
Peas	3.7	91	103
Oats	3.4	91	102
Lentils	2.2	87	103
Flaxseed	0.5	92	103

Data source: Statistics Canada

Prairie provincial crop reports indicate harvest is stalled in most areas due to cool, wet weather.

Ag Canada published its September situation and outlook revisions on Friday just ahead of Stats Can's latest revision to production data. The former took account of StatsCan's end

of season stock estimates and the July estimate of 2018 production published at the end of August but not the more recent estimate. The 2017-18 revisions are still relevant but the 2018-19 revisions are dated. The ending stocks adjustments for 2017-18 for all crops were for a small increase in aggregate but included some offsetting adjustments for specific crops. Increased ending stocks were noted for barley - with reduced domestic use, and peas – with lower domestic use more than offsetting a further increase in the export estimate. Ending stocks were lower for oats with increased domestic use, canola with increases in both exports and domestic use, and flax with better exports than originally expected. For wheat a lower export estimate was offset by increased domestic use.

Total 2018-19 crop supply estimate was reduced by about four million tonnes mainly due to the July production estimates generally coming in below earlier yield projections made on the basis of trend yields.

With the September StatsCan production estimates “adding back” about 6M tonnes, the situation is confusing. While some of the extra crops will find export or domestic markets, total crop ending stocks will surely be higher than the lowest level since 2013 projected by AgCan prior to the pre StatsCan production estimate.

OPINION: This year will probably prove to be a challenging one for the model that StatsCan uses to make its September estimate of production. The estimates are dependent in part on vegetative indices calculated from satellite imagery. In a normal year one might expect these indices to increase until crops begin to mature in August. With a cool damp August this year many crops may not have matured or vegetative indices declined as they might normally be expected to before the September observation. And the model might not discount the weather risk associated with a late maturing crops.

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