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Crop Market Summary

For the week ending Friday, 16-Nov-'18

Crop and Related Prices					Oilseeds & Other Prices				16-Nov-18
Commodity	**Month**	**This week**	**Last week**	**Year ago**	**Commodity**	**Month**	**This week**	**Last week**	**Year ago**
SRW Wheat	Dec	186.20	184.45	156.99	Soybeans	Jan	327.85	325.83	363.95
HRW Wheat	Dec	177.38	179.13	155.06	Soya Meal	Jan	283.94	278.86	290.29
HRS Wheat	Dec	209.90	210.63	233.32	Soya Oil	Jan	607.84	612.91	762.61
CWRS Wheat	Spot	258.88	259.35	255.42	Canola	Jan	482.40	482.40	519.40
CPS Wheat	Spot	214.40	216.94	182.46	Crude Oil(WTI)	Dec	56.46	60.19	56.57
Corn	Dec	143.59	145.56	135.03	Dollar Index	Dec	96.33	96.73	93.60
Ethanol	Dec	33.39	33.52	37.38	DJIA Mini-sized	Dec	25,451	25,973	23,336
Oats	Dec	193.39	184.80	166.64					

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: Most markets found support over the week with very early indications that trade relations between US China might be improving. US crushing data came in ahead of expectation with good demand for soya meal but les s so for soya oil, hence weakness in vegetable oil markets and canola.

NEWS: The USDA reported the condition of the US winter wheat crop as of November 11 as 54 percent good/excellent, 3 percentage points above the previous week and four percentage points below the 5-year average of 58 percent. The crop is 89 percent planted compared to 94 percent last year and a 94 percent five-year average. Emergence is placed at 77 percent compared to 83 percent last year and an 83 percent 5-year average.

US export sales last week for wheat could be regarded as reasonable while those for soybean were disappointing.

OPINION: Every year the USDA publishes long term agricultural projections, just tables in the fall, with further commentary the following February. It does this for the benefit of politicians and they are referred to as Base Line Projections. They are based on a multitude of assumptions but with no major shocks to agricultural markets including in this the continued existence of the Chinese tariff on the imports of soybeans from the US.

Over the last 15 years or so we have seen US corn area expand to accommodate demand for fuel ethanol and then soybean area grown to meet increasing demand for protein feed for China and other fast developing economies. At the same time wheat area has declined with amongst other things advances in plant breeding allowing corn and soybeans to be produced in areas previously believed to be too dry or too cool. Theses trend have been fairly accurately anticipated.

A year ago with no anticipation of the current trade tiff between the US and China, the expectation was that with the growth in demand for soya meal by the Chinese and the rapid increase in US exports of soybeans to China, the US area planted to soybean would rather immediately and continually expand and exceed that planted to corn. This year the projections suggest the converse. By way of example for 2020, last year soybean area was forecast at 91.5 million acres, this year at 82.5 million acres. And for 2020, last year corn area was forecast at 90.0 million acres, this year at 93.0 million acres.

It will be interesting to see what will happen to these projections, when the US and China will come to terms with each other and one would hope the soybean tariff is removed.

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