

Crop and Related Prices					Oilseeds & Other Prices					21-Dec-18
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	188.86	194.74	156.07	Soybeans	Jan	325.09	330.88	348.88	
HRW Wheat	Mar	184.73	190.43	155.15	Soya Meal	Jan	277.36	278.77	283.76	
HRS Wheat	Mar	206.23	214.58	224.78	Soya Oil	Jan	614.89	628.12	721.82	
CWRS Wheat	Spot	259.28	267.78	247.49	Canola	Jan	474.80	477.80	496.20	
CPS Wheat	Spot	233.99	237.91	187.22	Crude Oil(WTI)	Mar	45.43	51.76	58.35	
Corn	Mar	149.01	151.47	138.58	Dollar Index	Mar	96.45	96.90	92.92	
Ethanol	Mar	34.05	33.52	35.90	DJIA Mini-sized	Mar	22,625	24,126	24,752	
Oats	Mar	179.77	186.42	157.24	Wheat, SRW new crop	Dec	202.55	206.04	175.09	
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn, new crop	Dec	157.18	158.95	151.37	
Data in red are 12-month highs, in blue are 12-month lows					Canola, new crop	Nov	495.70	492.40	497.20	

**COMMENT:** A week of good export sales, generally attributed to the return of the Chinese to the US soybean market, was not marked by stronger prices as might have been expected. In fact the converse was true. The challenge can probably be attributed to outside market developments with generally rising international political tensions and seemingly erratic decisions by the US Administration. For wheat the perception that US prices are currently more competitive in international markets and expectation that the flow of Russian wheat exports will soon diminish was not evident in US export sales or prices. US corn export sales exceeded two million tonnes about twice what might be regarded as usual but corn prices were down on the day of the announcement with “the broad based sense of risk aversion” that day. Likewise soybean prices declined with export sales of 2.8 mmt topping pre report expectations. A soft Canadian dollar benefitted Canadian prices.

**NEWS:** Ag Canada’s December revisions to its Canadian crop supply and use forecasts included updated Stats Can’s 2017-18 Supply and Demand data and Nov. estimates of 2018 production together with some adjustment for crop movement. Revisions to last year’s data included only minimal reductions in export data which were offset by very small increases in domestic use. Ending stocks were unchanged. Stats Can’s November estimate of production of all crops was 92.7 million tonnes (mmt) down about 0.7 mmt from the September estimate. Forecasts for 2018-19 exports were lowered by over 0.6mmt, domestic use raised by 0.4mmt and ending stocks lowered by 0.4 mmt. These revisions were all of little significance as the adjustment in production estimates were minor. But changes for some crops were more significant as the pace of exports also resulted in some adjustments. The slow pace in durum exports has resulted in the third successive cut in exports and increase in ending stocks which are now forecast at 2.0 mmt twice the level expect three months ago and the largest ending stock figure since 2010. For wheat other than durum the export forecast with good movement to date was raised by 0.5 mmt largely offsetting the 0.7 mmt increase in the production estimate. While to ending stock data

was raised to 4.2 mmt, this is toward the lower end of the range of ending stocks in recent years. For barley the increase in the production estimate was less than 0.2 mmt with this being offset by small increase in exports and domestic use. The reduced corn production estimate was largely offset by a cut in net trade with ending stocks for castor lower at 2.0 mmt which is above the average for recent years. For oats a small increase in production is expected to result in a small increase in ending stocks. With a 0.6 mmt cut in canola production, export forecast was reduced by 0.5 mmt, but with a small increase in domestic use, the ending stock estimate has been reduced to 2.4mmt This is mid range for ending stocks in recent years. Production estimates of flaxseed, soybeans, peas and lentils were all reduced by a small amount that was generally reflected in reduced ending stocks. The end stocks forecasts for flaxseed, soybeans and peas are mid range relative ending stock for these three crops in recent years. But those for lentils while down from last year’s record level are still relatively high. In January Ag Canada will include very early projections for the 2019-20 crop year.

**OPINION:** I normally avoid commenting on other than crop markets aware of the limits of my expertise. But I observe that while stock markets have been volatile in recent months, before this week they had only lost what they had gained in the last 6 months. After this week the loss amounts to gains over the last 15 months.



Merry Christmas everyone.

David Walker, Edmonton, AB, CA

