

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					8-Feb-19
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	190.06	192.63	164.98	Soybeans	Mar	336.02	337.22	359.47	
HRW Wheat	Mar	181.61	186.94	171.04	Soya Meal	Mar	277.68	282.85	311.88	
HRS Wheat	Mar	208.89	211.65	221.75	Soya Oil	Mar	680.59	658.98	704.62	
CWRS					Canola	Mar	483.30	482.40	497.90	
Wheat	Spot	259.56	259.56	244.71	Crude Oil(WTI)	Mar	52.71	55.16	59.01	
CPS Wheat	Spot	231.88	231.88	202.41	Dollar Index	Mar	96.42	95.31	90.33	
Corn	Mar	147.33	148.91	142.51	S&P 500	cash	2,703	2,703	2,620	
Ethanol	Mar	34.87	34.10	37.06	Wheat, SRW new crop	Dec	199.34	202.83	187.30	
Oats	Mar	184.31	187.07	172.16	Corn, new crop	Dec	157.18	158.36	154.42	
For price specs. go to: www.open-i.ca/PriceSpec.htm					Canola, new crop	Nov	499.20	495.50	505.20	
Data in red are 12-month highs, blue are 12-month lows, green revised										

COMMENT: While Friday's delayed USDA reports were much anticipated all week they turned out to be something of a non event. More critical for crop futures markets were perception of the ebb and flow of prospects for the resolution of US-China trade challenges

NEWS: Stats Canada's Dec 31 survey placed crop stocks for 11 major crops at 65.6M tonnes, 4 percent below revised year earlier data, and the lowest level for December since 2015. Stocks levels for the various crops confirmed what has been evident from Canadian Grain Commission movement data. Other wheat, barley and oats stock as a percent of total supplies were below year ago levels as a percent of total supplies reflecting better export movement than a year ago. Conversely with canola and durum exports lagging December stocks were a higher proportion of total supplies than a year ago. For peas and lentils movement has been better than the rather poor levels of a year ago resulting in lower stocks relative to total supply.

Four major USDA crop data reports, normally published in January, were published on Friday.

The **2018 production** estimates for corn and soybeans were 366.3 M and 123.7 M tonnes, respectively 99 and 103 percent of 2017 output. For both crops yields were slightly below average trade expectations and the November estimates

December 1 US stocks of corn, soybeans and wheat were placed at 303.6 M, 101.7 M and 54.7 M tonnes, respectively, 95, 127 and 107 percent of year earlier levels. For corn and soybeans the stock estimates were slightly below the average pre report trade expectations but within the range of them. For wheat the stock estimates were slightly above the average trade expectations but within range.

Last fall's US planted wheat area was surveyed at 12.7 M hectares, down 4 percent from 2017, and for a second year the lowest US winter wheat area on record. This was below average pre-report trade expectations but within the range of such. Hard red, soft red and white winter wheat areas were 97, 93 and 97 percent of a year ago.

The market implications of these three reports were included in USDA's **revised monthly Supply and Use forecasts**.

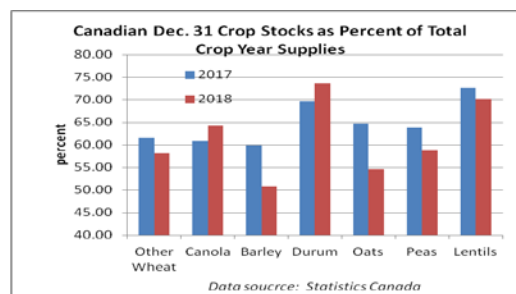
Revisions to **US wheat** data were limited to minor cuts in feed and seed use raising the forecast for ending stock by 4 percent to a level just below beginning stocks. An increase in **world wheat** use more than offset a slightly larger output estimate resulting in a one percent cut in ending stocks which is now about five percent below beginning stocks.

The cut in **US corn** output was partially offset by lower use estimates but the ending stock forecast was revised lower and is now 19 percent below beginning stocks. Aggregate adjustments to USDA's **global coarse grain** forecasts were minor. Ending stocks were raised by less than one percent and are still 9 percent below last year's level.

The revised forecasts for **US Soybean** use were largely offsetting with the small cut in output resulting in a five percent reduction in the ending stock forecast which is still more than double beginning stocks. The USDA's estimate for **global oilseed** output was cut by ten percent mainly due to less favourable South American harvest prospects. Then ending stocks forecast was revised lower by 6 percent but is still six percent above estimated beginning stock levels.

OPINION: The delayed publication of four major USDA crop related reports on Friday proved to be something of an anticlimax. The market understandably seemed more focused on US China trade relationship developments. Remember USDA forecasts are based on a status quo.

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