

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					8-Mar-19
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	May	161.49	168.01	179.68	Soybeans	May	329.13	334.92	381.86	
HRW Wheat	May	158.27	163.42	191.25	Soya Meal	May	275.50	278.86	338.91	
HRS Wheat	May	201.82	205.12	226.89	Soya Oil	May	653.69	666.70	696.46	
CWRS Wheat	Spot	259.00	254.37	247.74	Canola	May	457.30	461.30	514.90	
CPS Wheat	Spot	209.10	201.91	210.79	Crude Oil(WTI)	May	54.87	56.14	61.92	
Corn	May	143.40	146.84	153.73	Dollar Index	Jun	96.76	95.88	89.64	
Ethanol	May	34.66	34.10	40.21	S&P 500	cash	2,743	2,804	2,787	
Oats	May	170.86	171.35	170.21	Wheat, SRW new crop	Dec	173.43	179.40	199.15	
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	152.94	155.21	160.33	
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola, new crop	Nov	479.40	483.00	507.10	

**COMMENT:** The news of the week was, of course, the Chinese decision against Richardson's canola business. As much as can probably be said with any safety is political action is almost certainly more difficult to predict than the weather, any advantage Canada might have had over US soybeans in the Chinese markets has evaporated and substitute commodities and from other destination may for the moment benefit. Further the collapse in canola prices last Friday in advance of this news "hitting the headlines" and relative stability thereafter suggests the Chinese action was known last Friday. While canola prices continued to decline to life of contract levels some leveling was apparent with crush margins improving and with a weaker Canadian dollar.

Wheat prices were generally lower on news of improved prospects for winter crops in the EU and Russia. The USDA's March upward revisions on Friday to its ending stock projections – both US and global, weighed on values. US corn prices were lower with Friday's USDA revised projections weighing on values. Supportive were export sales news and very early prospects for a late spring and reduced corn planting. soybean prices were lower with Brazilian harvest progress, seeming lack of progress in resolving US China trade challenges and disappointing US export sales data being cited as pressuring prices.

**NEWS:** The most significant revision to USDA's March 2018/19 US wheat Supply and Demand projections was a one million tonne cut in exports. The ending stock forecast was raised about 4 percent but is still below the beginning stocks.

- The biggest revision to **global wheat** data was a cut in use expectations. The ending stock forecast was increased by about one percent but is still down 3 percent from the beginning stock estimate. Projections for US domestic and export **corn** use were lowered resulting a 6 percent increase in forecast ending stocks which are still 14 percent below beginning stocks. A small cut in **global coarse grain** output estimate and increase in use result in a minimal increase in forecast ending stocks which is now forecast to be 9 percent below beginning stocks.

Revision to US **soybean** data was limited to a small increase in domestic crush and minimal downward revision in projected ending stocks which are still double the level of beginning stocks. These projections are made on the assumption that the 25 percent Chinese import levy on US soybeans will continue indefinitely.

Globally the USDA lowered its forecasts for **oilseed** output slightly, but this was more than offset by a small cut in use, with ending stocks raised by less than one percent but still at levels above those of recent years.

**OPINION:** Almost all crop commodity prices having been particularly weak over the last month or so and are below year ago levels. The global fundamentals do not appear particularly adverse with ending stocks of wheat and coarse grain expected to decline this crop year.

The great "unknown knowns" are the levels of Chinese government held stocks which are likely not reflected in market conditions on a continuing basis. The USDA estimated these, after major revisions last November, as of the beginning of the current crop year at 47, 60 and 24 percent of total global stocks, respectively, for wheat, coarse and soybeans. It is within the realms of possibility that over past years Chinese accumulation of stocks inflated global prices while for the moment they are deflating them as they sell them off.



David Walker,  
Edmonton, AB, CA

