

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					14-Jun-19
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Jul	197.87	185.28	183.54	Soybeans	Jul	329.50	314.53	332.72	
HRW Wheat	Jul	174.99	164.98	190.98	Soya Meal	Jul	293.46	283.30	307.43	
HRS Wheat	Jul	206.96	208.98	209.72	Soya Oil	Jul	608.72	603.65	650.39	
CWRS Wheat	Spot	255.76	257.81	247	Canola	Jul	454.90	452.80	520.00	
CPS Wheat	Spot	219.72	216.52	217.63	Crude Oil(WTI)	Jul	52.52	54.03	65.03	
Corn	Jul	178.34	163.67	142.22	Dollar Index	Sep	97.05	96.00	94.42	
Ethanol	Jul	42.64	34.10	37.51	S&P 500	cash	2,887	2,880	2,800	
Oats	Jul	196.31	191.93	151.41	Wheat, SRW new crop	Dec	203.29	191.90	196.30	
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn, new crop	Dec	182.47	170.46	150.68	
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola, new crop	Nov	470.30	464.50	509.50	

COMMENT: Very bullish USDA corn supply and demand estimates were followed by weather forecasts for more rain suggesting the challenge with planting corn and soybean crop are far from over. At the same time dry conditions over much of SK and AB were bullish for Canadian crop prices.

NEWS: Prairie provincial crop reports indicate seeding about complete with variable soil moisture conditions. For **MB** as of June 10 – Seeding is just about complete but crops are progressing slowly. For **SK** as of June 10 – Crop growth is delayed due to lack of moisture. With recent rainfall variable across the province, overall topsoil moisture conditions are rated only 21% adequate, compared to 73% last year and in 2017. For **AB** as of June 12 – Seeding is essentially complete. With recent rainfall variable across the province overall surface moisture is rated 59% good and excellent compared with 48% last week and a 64% 5-year average.

The USDA forecasts **US winter wheat production**, as of June 1, at 34.7mmt, less than 1 percent higher than the May estimate, 8% above the estimate for 2018, and above the average pre-report expectations. Average yield was up about 5%, harvested area up 2%, with planted area down 3%, reflecting exceptionally favourable moisture conditions and thus historical low crop abandonment. Hard red wheat output was up about 2% and soft red down 2% from their respective May estimates.

The USDA's June revisions to its Supply and Demand data include a lower forecast for **US wheat** supplies with lower beginning stocks offsetting a small increase in production. With increased feed use expectation and unchanged export forecasts, ending stocks are projected 7% lower than forecast a month ago. The **global wheat** supplies forecast was raised mainly due for improved harvest prospects in Russia and the Ukraine. With this only partially offset by an increase in expected use, a small upward revision to ending stocks to a record 294.3mmt is projected.

The USDA normally uses trend yield estimates for its June US

corn production forecast. But this year in view of the unprecedented planting delays it cut a massive 34mmt from its forecast for production. This was only partly offset by larger beginning stocks and increased domestic and export use with the ending stock forecast lower by a third to the lowest level since 2014. **Global coarse grain** supply estimates were cut by 36mmt, almost entirely due to the cut in US corn production. Ending stocks were cut by 24mmt to 320mmt of which 192mmt is held by China – 65% of their annual use. In contrast to corn, the USDA continued to use trend yields for its **US soybean** production forecast. As a result 2019 output estimate was unchanged but supplies were raised as a result of increased beginning stocks and a cut in their forecast for exports for the current crop year. 2019-20 use data was unchanged with ending stocks raised again, now 139% above 2018 level. Revisions to **global oilseed** data were minor including slightly lower output use and ending stocks.

OPINION: A month ago with tightening global coarse grain supplies and very doubtful prospects for oilseeds, a large swing in resources from US soybean to corn production seemed likely and justified. But quite exceptionally wet conditions in the US Mid West have put pay to that!

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