

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					2-Aug-19
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	180.32	183.54	204.39	Soybeans	Sep	314.44	326.51	327.66	
HRW Wheat	Sep	154.97	158.73	208.43	Soya Meal	Sep	267.16	276.59	299.90	
HRS Wheat	Sep	191.90	192.63	225.15	Soya Oil	Sep	624.37	631.21	628.78	
CWRS Wheat	Spot	219.71	228.37	263.36	Canola	Nov	444.80	450.50	494.00	
CPS Wheat	Spot	185.96	207.63	233.19	Crude Oil(WTI)	Sep	55.52	56.19	68.48	
Corn	Sep	157.28	163.18	145.56	Dollar Index	Sep	97.86	97.76	94.97	
Ethanol	Sep	38.44	34.10	38.07	S&P 500	cash	2,929	3,027	2,840	
Oats	Sep	172.16	166.97	161.94	Wheat, SRW new crop	Dec	180.60	184.91	213.02	
					Corn, new crop	Dec	161.21	167.12	151.27	

For price specs. go to: [www.open-i.ca/PriceSpec.htm](http://www.open-i.ca/PriceSpec.htm)  
Data in red are 12-month highs, blue are 12-month lows, green revised

**COMMENT:** An apparent lack of progress in the resolution of trade issues between the US and China and non-threatening weather for corn silking and soybean pod setting resulted in a consecutive week of lower prices. Weekly export sales data was generally in line with trade expectations.

**NEWS:** Prairie provincial crop reports indicate crops are generally in good condition but not universally so. Relatively late development of crops is a concern.

US spring seeded crop conditions reported by USDA for July 28 indicated good and excellent ratings for corn and soybeans were both up one percentage point from a week ago, both at 58 and 58 percent compared to five-year averages of 60 and 60 percent. About 58 percent of the corn crop has now reached the silking phase compared to a five-year average of 83 percent indicating the delayed development of the crop. The same is evident for soybeans with the 21 percent of the crop setting pods compared to a five-year average of 45 percent.

Development of both crops is more than a week behind the five-year average. The US spring wheat harvest has just begun with 4 percent completion on a par with the five-year average but naturally trailing progress with last year's short crop. Harvesting of the winter wheat crop was reported 75 percent complete about a week behind normal with harvest in the Pacific Northwest generally in early stages.

**OPINION:** The Foreign Agricultural Service of the USDA has been reporting export sales of a wide selection of agricultural products for over 40 years.

*"... its roots from the unexpected purchase of large amounts of grain by the Soviet Union in 1972. ... The program also serves as an early alert on the possible*

*impact foreign sales have on U.S. supplies and prices."*

What is probably unique about the program is that it reports on sales rather than physical export movement of farm commodities. Hence, the claim of it providing "an early alert". But interpreting the implication of outstanding sales is challenging as evident in new crop, post September, cumulative outstanding soybean sales in the last three years.

It is evident speculation is a significant element of sales. Outstanding sales often exceed commitments needed to cover the time to organize freight, insurance and such necessary for the physical export of crops. In the summer of 2017 when things were "normal" outstanding soybean sales increased at a relatively modest pace until July when the need to cover planned early crop year purchases by importers probably resulted in the increase rate of export sales. In the summer of 2018 when politics became an issue in soybean markets importers appear to have been inclined to extend their commitments beyond their immediate needs. In 2019 with abundant new crop supplies and seemingly no expectation of the issues between US and China being resolved, forward sales commitments have been worryingly thin.

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