open i

Crop Market Summary

For the week ending Friday, 10-Jan-'20

Crop and Related Prices, Can or US$/tonne, US$/l ethanol

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	207.42	203.75	190.89
HRW Wheat	Mar	181.79	174.53	185.37
HRS Wheat	Mar	205.12	201.17	209.44
CWRS Wheat	Spot	241.71	242.39	257.29
CPS Wheat	Spot	219.08	214.74	230.55
Corn	Mar	151.86	152.16	148.91
Ethanol	Mar	36.01	36.38	34.66
Oats	Mar	200.04	193.23	191.12

Data in red are 12-month highs, blue are 12-month lows, green revised

For price specs. go to: www.open-i.ca/PriceSpec.htm

Oilseeds & Other Prices, Can or US$/tonne or index 10-Jan-20

Commodity	Month	This week	Last week	Year ago
Soybeans	Mar	347.60	345.94	334.46
Soya Meal	Mar	275.32	273.23	285.39
Soya Oil	Mar	757.31	773.41	626.36
Canola	Jan	484.00	469.60	483.30
Crude Oil(WTI)	Mar	58.97	62.75	51.98
Dollar Index	Mar	97.07	96.55	95.24
S&P 500	cash	3,270	3,238	2,592
Canola, new crop	*Nov*	*498.80*	*496.20*	*498.00*
Wheat SRW, new crop	*Dec*	*213.85*	*211.83*	*206.04*
Corn, new crop	*Dec*	*158.55*	*157.77*	*158.65*

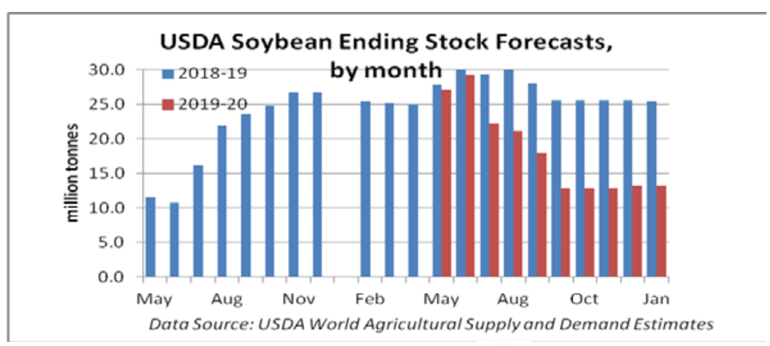
COMMENT: US wheat prices were higher again this week as the supply situation appears to be tightening even if this does not seem to be reflected in demand. Friday's USDA report was positive for US feed use even if corn export demand lags. Friday's USDA reports were mildly negative for soybeans. But that the week had passed without the Phase One trade agreement between China and the US becoming unravelled was probably supportive of prices.

NEWS: Three USDA survey reports were published Friday. The 2019 production estimates for corn and soybeans were 347.8M and 96.4M tonnes, respectively less than 101 and 86 percent of 2018 output. Both were up marginally from the previous 2019 estimate with better yields offsetting lower harvested area. They were above pre report expectations. December 1 US stocks of corn, soybeans and wheat were placed at 289.3M, 88.5M and 49.9M tonnes, respectively, 95, 87 and 91 percent of year earlier levels. All three were within the range of pre report expectations, with wheat and corn below average expectations and soybeans above.
Last fall's planted area for all US wheat was surveyed at 12.5M hectares, down 1 percent from 2018. This is reported to be the lowest US winter wheat area since 1909. The area was, however, slightly above the range of trade expectations.

The market implications of these three reports and other market factors were summarized in USDA's revised monthly Supply and Use forecasts.
Revisions to **US wheat** data were minor with a small increase in feed use resulting in a one percent reduction in the forecast for ending stocks. **World wheat** production was lowered mainly due to lower Russian and Australian harvest estimates. And with use raised the ending stock projection was lowered but is still the highest level in recent years.
For **US corn** an increase in domestic feed use more than offset a reduction in the export forecast with the ending stock projection reduced by about one percent and 15 percent below beginning stocks. The major USDA adjustments to its **global coarse grain** data was a 5 million tonne increase in use almost all of which was from the increase in US use. Global coarse grain ending stocks were cut to over 5 percent below beginning stocks.
For soybeans the USDA left their **US soybean** ending stock projection unchanged, with output, beginning stock and import data adjustments virtually offsetting and no changes to use forecasts. Adjustments to **global oilseed** output and use data were largely offsetting but an upward revision in the beginning stock estimate was reflected in the ending stock forecast which is still 13 percent below the beginning stock estimate.

After a three week Christmas break CGC weekly data is again available. For the crop year to date exports of all crops are now running 12 percent behind last year's record pace. Domestic disappearance is still 7 percent above the year ago pace, but together they are 4 percent behind. Farmer deliveries are 2 percent above last year's pace.

OPINION: To this point in time USDA projections have been based on the continued existence of a Chinese tariff on soybean imports. Should this be lifted by the Phase One agreement then the impact on oilseed prices is likely to be material. In reality this is already being anticipated with improving oilseed prices. The adverse supply situation has been resolved.



David Walker, Edmonton, AB, CA