

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					20-Mar-20
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	May	185.92	189.51	169.85	Soybeans	May	328.81	327.48	334.09	
HRW Wheat	May	158.55	164.06	162.78	Soya Meal	May	271.69	276.77	281.94	
HRS Wheat	May	186.66	193.00	203.56	Soya Oil	May	581.38	633.85	648.84	
CWRS Wheat	Spot	243.81	231.02	256.67	Canola	May	453.60	460.00	464.00	
CPS Wheat	Spot	229.38	198.93	215.31	Crude Oil(WTI)	May	32.26	41.29	58.81	
Corn	May	143.99	148.02	146.94	Dollar Index	Jun	98.98	95.79	96.76	
Ethanol	May	31.86	33.34	36.40	S&P 500	cash	2,545	2,972	2,824	
Oats	May	173.94	174.10	179.61	Canola, new crop	Nov	470.50	476.70	498.00	
Data in red are 12-month highs, blue are 12-month lows, green revised					Wheat SRW, new crop	Dec	192.45	196.67	206.04	
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn, new crop	Dec	146.84	150.19	158.65	

COMMENT: COVID-19 outbreak continued to be a major influence on markets this past week with price movements in both directions. The fear over the impact on demand of COVID-19 containment measures caused central bank rates to be cut by 50 basis points and other government measures to be implemented. Overlaying all this was a further collapse in crude oil prices as Saudi Arabia wages economic war with Russia. The unprecedented 10-day, 10 percent advance in the US dollar index, perhaps based on the belief that the US economy is better equipped to ride out the virus than others. Higher wheat prices appeared to reflect the belief that demand for wheat as a food staple will not suffer from the pandemic. Further a sale of US wheat to China was reported. Prairie wheat prices were higher with the strength of the US dollar. Lower US corn prices were seen to be the result of collapse in ethanol values in turn resulting from lower crude oil prices. About 40 percent of US corn is used to produce ethanol. Export demand for US corn appears firm with a Chinese sales announcement. The soya complex was mixed. Soya meal prices advanced with the expectation of improved domestic demand with reduced ethanol and DDG - dried distillers grain, output. Against this soya oil prices were lower seen as a result of lower crude oil prices. Canola prices were higher with the strength of the US dollar supporting values.

NEWS: Ag Canada's revisions to its crop supply and demand forecasts this month were minor, with some adjustments resulting from USDA information and ongoing trade data. On the supply side the expectation for the current crop year was for slightly lower total imports, mainly as a result of lower imports of corn. But exports were cut by a larger amount with lower forecasts for wheat and canola exports. As the amounts were relatively small and ending stocks raised by less than 3 percent to 8.5M tonnes about 2 percent below beginning stocks. Revisions to next crop years data were equally minor – increased beginning stocks and imports but largely offsetting lower exports but higher domestic use. Ending stocks are now forecast 16.0M tonnes, 8 percent above beginning stocks but still slightly below 2018 levels.

OPINION: The good COVID-19 news is that South Korea appears to have gotten on top of its outbreak, at a per capita incidence of about one in 6,000 and after about a month. Meanwhile things in Europe and North America seem unchecked. But, of course, the data reflects containment measures in place 5 to 10 days ago. The worst case seems to be Italy with an infection rate of about one in 1,700 and with a death rate of those infected already about twice that in China. Having used WHO statistics liberally, their efficacy has to be questioned. For instance the US appears to have a lower per capita rate of infection than Canada at the moment. Those that believe we have a superior medical system would no doubt suggest that this is because the US to date has done less testing. So wait for a big bulge in US numbers when they do.



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