

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					14-Aug-20
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	183.72	183.54	172.97	Soybeans	Sep	329.59	318.11	318.66	
HRW Wheat	Sep	156.25	152.67	144.86	Soya Meal	Sep	264.71	255.82	267.52	
HRS Wheat	Sep	182.80	170.68	186.02	Soya Oil	Sep	684.78	680.15	642.23	
CWRS Wheat	Spot	223.08	223.36	217.21	Canola	Nov	484.80	489.90	452.40	
CPS Wheat	Spot	188.53	187.37	178.01	Crude Oil(WTI)	Sep	42.14	41.22	54.89	
Corn	Sep	126.57	121.16	146.06	Dollar Index	Sep	93.08	93.41	98.01	
Ethanol	Sep	33.68	29.59	34.40	S&P 500	cash	3,365	3,351	2,887	
Oats	Sep	171.35	177.83	181.72						
Data in red are 12-month highs, blue are 12-month lows, green revised					Wheat SRW, new crop Dec 187.21 185.01 206.04					
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn, new crop Dec 133.06 126.27 158.65					

COMMENT: The salient feature of this week's market was the continued and consistent reports of sales of US soybeans mainly if not almost entirely to China. The bullish impact of this was more than enough to offset otherwise relatively bearish US reports and weather reports and forecasts. Corn prices were supported by soybeans. Wind storm damage was also cited as being supportive. Reports of foreign wheat harvests have been mixed but prospects for record global wheat supplies remain intact. Canadian prices have undoubtedly suffered as a result of the six percent appreciation of the dollar against the US dollar.

NEWS: The USDA's first survey based 2020 production estimates for corn and soybeans, reported Wednesday, were, respectively, for 388.1 and 128.4 mmt, up 12 and 25% from last year. The corn estimates was slightly above the average trade expectation and soybean below such. All wheat production of 50.0 mmt is up 1% from the July estimate but down 4% from 2019. Durum and other spring wheat output estimates were 1.7 and 15.7 mmt, respectively, up 11 and 5% from the July estimate, and up 15 and 3% from last year. Winter wheat production at 32.6 mmt was down 2% from the July estimate and down 8% from last year.

The USDA's largest adjustment to its **US 2020-21 wheat** supply and demand projections was an increase in export expectations of three percent prompted by lower output by some competitors including the EU. This was partially offset by an increase in output with ending stocks two percent lower and at the lowest level in six years.

Global wheat output was revised lower but a multi-year revision in EU use and stock estimates offset this. Global ending stocks were raised to a new record level with the higher stock levels being increasingly held by importing rather than exporting nations.

US corn output was raised by two percent as survey based yields were higher than trend yields previously used to estimate. As this was only partially offset by increases in use ending stocks were raised by four percent, 24 percent above beginning stocks. With an upward revision in **global coarse grain** output and a smaller adjustment in anticipated consumption, ending stocks were raised by less than one percent to a level 2% above beginning stocks.

This month's adjustment to **US soybean** data includes lower beginning stocks but higher production, crush, exports and ending stocks. Ending stocks are now projected 44 percent higher than last month but slightly lower than beginning stocks. Adjustments to **global oilseed** data included higher output and higher use largely offsetting each other. The ending stock projection, however, were lowered about one percent to a level about two percent below beginning stocks.

Prairie provincial crop reports indicate good weather for crops. **For MB, as of Aug. 11:** Warm, sunny weather encourage rapid development of all crops over the past two weeks. **For SK, as of Aug. 10:** Warm weather continued to help crops mature with one percent of the crop combined and two per cent swathed or ready to straight-cut. The five-year averages are two and three percent. **For AB, as of Aug. 11:** Warmer, drier weather hastened crop development. Currently, 77 percent are in good or excellent condition, compared to the 5-year average of 59 per cent

OPINION: The Chinese are likely buying US soybeans because they need them. It is probably a convenience that they are meeting their Phase 1 trade commitment with the US. The Chinese may also be mindful of the 1980 embargo of soya meal sales to the USSR, although this is unlikely to become a factor until after the November US elections.

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