

Crop	Expected Price Direction		2018 Crop	Commentary
	Nearby	Longer		
Spring wheat			#1 RS 135 6.80-7.00 125 6.60-6.80	Global wheat prices have not changed much in the past month after a small run up in early December. Canadian prices have seen a drop since mid December. Russia added another 2MMT to their stockpile and are not showing signs of running out yet. This helped bridge the gap until new crop supplies came from Australia. US exports are slow as their currency continues to hold strong vs other sellers. Canadian exports are over 1MMT ahead of last years export pace but near average. This leaves a healthy wheat balance sheet. We feel the most chance for upside in price is likely spring when those two exporters run low. But we still need a problem in the EU to push them higher. Both upside and downside limited for now. Selling \$7.25+
Durum		1 AD 3 AD	1AD 6.10-6.75 2AD 5.90 3AD 5.80 All 13 protein	Durum prices remain lethargic. \$6.50 seems to be the sweet spot where buyers can purchase enough to fill their limited needs. Global tenders showing the same values. Too much durum and not enough demand therefore this grind likely lasts until at least late spring. Some potential bright news is North Africa is showing some dryness. Critical time there is not for another couple of months so there is still time to change. Ceres is bidding \$7.25 for AprMay at the time of this writing. To me that's a sell if within \$0.60 freight. Selling \$6.50+
Feed wheat			Wht - 5.55 Bly - 4.65	Prices for feed are up a little as buyers look to fill short term needs. Global feed prices are stagnant as supply is adequate. Asian swine flu reduces wheat demand from China. Barley supplies remain tight and could should see flat prices at worst into spring.
Malt barley			4.75-5.75	Old crop malt is up another dime to \$5.75 Apr-Jun delivery. There is likely little change to prices before we start to see how the EU and Canada produce this summer. Recommendation is to be 100% sold. We do not believe there is enough risk/reward to sell new crop \$5 malt yet. Supplies will be tighter going into 2019 so much depends on the size and quality of the 2019 crop.
Canary			0.23	We have tempered our outlook for canary as exports are typically slower this time of year. Demand has been routine as buyers get used to limited supply while canary prices rose this past fall. Prices for millet also rose in both the US and the Ukraine. Argentina is harvesting a much bigger crop. This should limite short term upside. We still feel downside is limited due to smaller overall supplies.
Canola			10.30-11.00	Canola is along for the oilseed ride. Prices get to \$11 in deferred positions then they lose carry. Recommended to sell \$11 June today as it made sense. Limited upside into spring without a big problem in South America. Believe it is too little too late for any deal between China and the US. Some upside if they do but not likely to exceed \$11 without a production problem and more demand.
Flax			12.50-13.00	Flax prices were flat through the holidays with limited business happening. Global stocks are fine since demand has been slower and the demand that was expected to pickup in Nov-Dec was less than expected. Prices should remain flat into spring. We await the Black Sea and EU crop prospects this coming summer for more direction.
Soybeans			10.00-10.20	Traders are trying to figure out if China and the US will strike a deal soon. Weather in Brazil has been drought like in many regions. So why are oilseed prices flat? Even if China/US strike a deal today we feel it is too late to make a significant difference. Back to back big crops in SA and the US have pushed supplies to the heavy side. Demand has been slower with trade tensions. Prices are likely to grind with limited potential pops on any good news about trade talks. That would be more of a perception swing than actual fundamental changes.
Mustard			Y - 0.33 B - 0.31 O - 0.26	Mustard prices continue to feel pressure from heavier supplies. Lower exports to the US for yellow combined with average exports of brown and oriental to other destinations have kept supplies flush. We do expect a smaller seeded acreage in Canada this coming year which should help prices level off.
Red lentils			2ob 0.17-0.195	India remains dry but also virtually non-existent as a red lentil importer. Canadian exports are slightly ahead of last year but still well below the 5 year average. We don't expect much change until we get closer to March/April when we should have a better handle on production in India and Turkey. We also await any policy news from the Indian government as they near elections in May. Leaders will try to buy votes from farmers there and they are exploring different "subsidy" programs to help farmers profits. Downside limited but we need 1-2 production problems and/or more demand to push into the 20's. Australia was one. India??
Large green lentils			#1 - 0.23 X2 = 0.21 #2 - 0.20 X3 -	Early production indications are for smaller pigeon pea crops in India, Myanmar and East Africa. This bodes well for an eventual grind higher for prices. The market is still well supplied and it will continue to take time to fix but we feel we are on the right path.
Yellow peas			6.25-7.00	India extended its quota cap on peas until Mar 31. This should keep demand there slow. China however continues to buy. Expectations are for a much smaller carryout at year end but higher pea acres in Canada. This should help limit downside to pea prices.

Commentary	Recommendations have not changed using cereals and oilseeds for fall cash flow. Now that we are into winter we still feel the same way. Wheat supply is flush and competition remains. Durum should start to work its way up into 2020 (sooner if a problem arises). Don't lose faith in durum.
	Prices for soybeans and canola likely struggle to surpass \$11 for both. A big South American crop should mean lower prices. The China/US trade talks resume but it's unlikely it will change markets after an initial pop if an agreement is reached.
	Pulse prices should eventually grind higher as stocks/use numbers go lower. We are still in a long term fix. The brightest spot may be for large green lentils in 2019-20. We are still holding pulses unless needed for cash flow. Prefer to sell cereals and oilseeds first. We like pushing pulse acres for the coming year.