



Oilseeds Workshop

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Merchant

15/16 Crop Year

Canada

- Produced 18.37mmt
 - Unchanged vs. previous year despite record yields
 - 2,115lbs vs 2,030lbs record high in 2013
- Harvest acres **DOWN** y.o.y.
 - Abandoned acres **UP**
 - Rain during harvest
 - Glut during last quarter weighed on markets

United States


- PNW produced 30% more in 2016 vs. prev year
 - PNW planted acres were down 16% vs 2015
- US prod was up 6% vs year prior
 - US planted acres were down 3.5% as well
- Montana had the lowest seeded acres of the last 3 years

16/17 Crop Year

Canada

- 19.6mmt production
- Crush is up y.o.y.
 - Kept basis levels stronger vs record prod.
- China was a stronger buyer again

United States

- Very few profitable crops
 - Montana acres up
 - 62k → 155k acres
 - 1,670 → 870 lbs/acre
 - PNW acres up
 - Good grower knowledge base
- Domestic demand 

17/18 Crop Year

South America

- Brazilian crop projected 2nd largest
 - Exports continue to make new records
 - More investments in infrastructure
- Argentina crops areas are experiencing yield altering dryness

Europe


- 22.1mmt production est. up 1.6mmt from last year
 - Yearly estimated crush capacity 25mmt

17/18 Crop Year

Canada

- 22.9m acres projected
- 21mmt projected production
- Large crush demand both in N. America and abroad to keep farm prices high

United States

- Again, very few profitable crops like last year
 - Montana dn over last year
 - Winter seeded adoption is slow
 - PNW acres up again
 - WA: 30k | ID:17k | OR:2k
- Domestic demand 
 - Needs to keep going if acres keep increasing

Crop and State	Area planted		Area harvested		Yield per acre		Production	
	2016	2017	2016	2017	2016	2017	2016	2017
	(1,000 acres)	(1,000 acres)	(1,000 acres)	(1,000 acres)	(units)	(units)	(1,000 units)	(1,000 units)
Canola (pounds)								
Idaho	21.0	23.0	20.5	22.3	2,100.0	1,550.0	43,050	34,565
Oregon	4.0	8.0	3.7	7.2	2,400.0	1,550.0	8,880	11,160
Washington.....	33.0	55.0	31.0	54.0	1,900.0	1,600.0	58,900	86,400
United States	1,714.0	2,077.0	1,691.7	2,002.0	1,824.0	1,558.0	3,086,340	3,118,680

Canadian Mustard Supply and Demand				
000 tonnes	15/16	16/17	17/18	18/19
Supply				
Seed Acres, 000's	345	525	385	525
Harv Acres, 000's	328	515	378	510
Yield (lbs/acre)	827	1,011	712	821
Carry in	49	25	98	51
production	123	236	122	190
Imports	1	1	1	1
Total Supply	173	262	221	242
Demand				
Total Domestic	35	40	45	50
Exports Grain	113	124	125	130
Total Demand	148	164	170	180
Ending Stocks	25	98	51	62

Canadian Canola Supply Demand				
000 tonnes	15/16	16/17	17/18	In 2-3 yrs
Supply				
Acres, 000's (Seed)	20,665	20,351	22,917	
Acres, 000's (Harv)	20,564	20,031	22,824	
Yield (bu/acre)	39.4	43.1	40.6	
Carry in	2,573	2,090	1,347	1,500
production	18,377	19,601	21,000	24,000
Imports	105	92	75	75
Total Supply	21,054	21,783	22,422	25,575
Demand				
Crush	8,315	9,191	9,250	10,000
FSW	350	271	300	500
Total Domestic	8,665	9,462	9,550	10,500
Exports	10,299	10,974	11,325	13,025
Total Demand	18,964	20,436	20,875	23,525
Ending Stocks	2,090	1,347	1,547	2,050



With current USDA South American soybean crop projections, it will be difficult to achieve
USDA's United States export forecast

302mbu MORE to ship than Dec 28 – Aug 31 of
last year

2018 Cost Comparison				
	Fall Canola		Spring Canola	
<u>COSTS/ACRE</u>				
Land Costs	\$ 90.00	ac	\$ 90.00	ac
Seed Charges	\$ 22.50	ac	\$ 50.63	ac
Fertilizer	\$ 50.00	ac	\$ 48.00	ac
Weed Control(Pre Plant)	\$ -	ac	\$ -	ac
Weed Control (Post Plant)	\$ 20.00	ac	\$ 20.00	ac
Insect Control	\$ 19.00	ac	\$ 19.00	ac
Disease Control	\$ 17.00	ac	\$ 17.00	ac
Crop Insurance	?		?	
Harvest/fuel/Machinery	\$ 65.00	ac	\$ 65.00	ac
Total Crop Expense	\$ 283.50	ac	\$ 309.63	ac
Yield	2,000	lbs.	1,500	lbs.
<u>Following Crop Return</u>				
Crop Value	\$ 380.00	ac	\$ 262.50	ac
Net Return	\$ 96.50	ac	\$ (47.13)	ac
Seeding Rates	4.5 lbs.		4.5 lbs.	
Seed Costs/Lb.	5.00		11.25	
Net Sale Price	\$ 20.00	Cwt	\$ 18.50	Cwt
Fertilizer Rate	125 lbs.		120 lbs.	
Cost / Pound of N	0.40		0.40	

2018 Cost Comparison

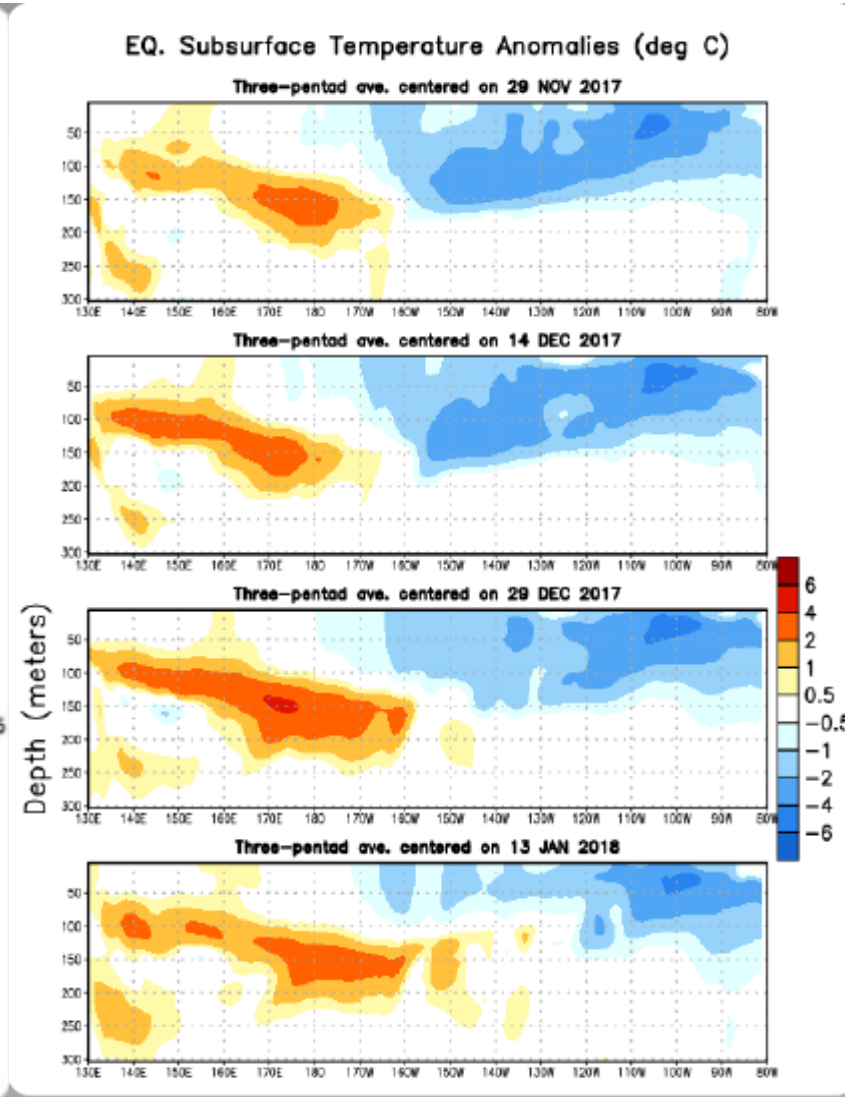
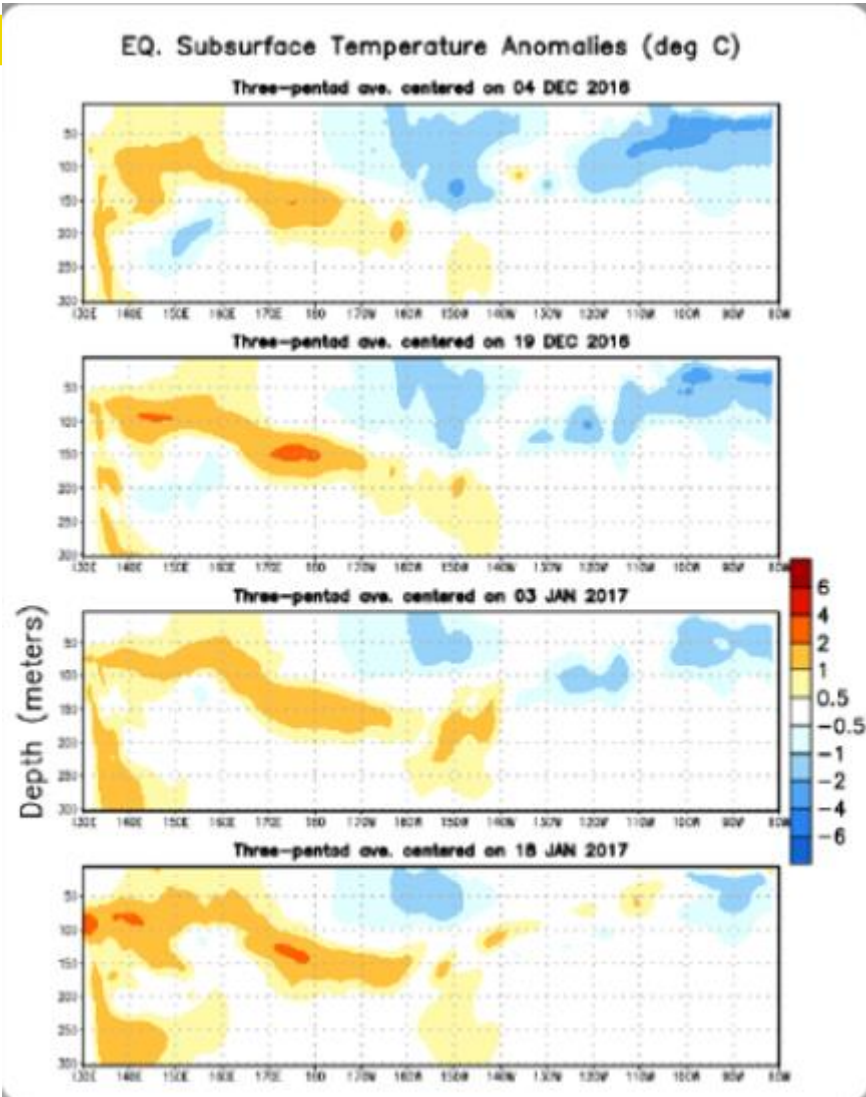
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Disease Control	\$ 17.00	ac	\$ 17.00	ac
Crop Insurance	?		?	
Harvest/fuel/Machinery	\$ 65.00	ac	\$ 65.00	ac
Total Crop Expense	\$ 283.50	ac	\$ 309.63	ac
Yield	2,250	lbs.	1,750	lbs.
<u>Following Crop Return</u>				
Crop Value	\$ 427.50	ac	\$ 306.25	ac
Net Return	\$ 144.00	ac	\$ (3.38)	ac
Seeding Rates	4.5 lbs.		4.5 lbs.	
Seed Costs/Lb.	5.00		11.25	
Net Sale Price	\$ 20.00	Cwt	\$ 18.50	Cwt
Fertilizer Rate	125 lbs.		120 lbs.	
Cost / Pound of N	0.40		0.40	

Weather Predictions....



2017

2018



In the last two months, negative SST anomalies have weakened across central and eastern Pacific Ocean

What does La Niña mean?

Generally, it provides the northern US with cooler winters and more precipitation while warmer and drier conditions in the south

Have we seen this so far?

Summary

ENSO Alert System Status: La Niña Advisory

La Niña conditions are present.*

Equatorial sea surface temperatures (SSTs) are below average across the central and eastern Pacific Ocean.

La Niña is likely (~85-95%) through Northern Hemisphere winter, with a transition to ENSO-neutral expected during the spring.*

* Note: These statements are updated once a month (2nd Thursday of each month) in association with the ENSO Diagnostics Discussion, which can be found by clicking [here](#).

22-Jan-2018

@RS2018H

O = 493.7

H = 497.0

L = 493.2

La = 496.1

NC = 2.0



DTN ProphetX®



My Crystal Ball

Old Crop

- Stable to higher prices
 - Within the typical 2-3 month ebb(higher) and flow(lower) with periods of sideways stagnation
 - Look for China to come back to market sooner than later
 - USDA Jan 12th report was slightly bullish beans = slightly bullish oilseeds
- Bin it and sell it later
 - \$1.50/cwt premium last year at this time
 - \$.70/cwt range this year if stored and sold later

New Crop

- Cash price will tail off towards end of 2018 (Canadian harvest) while the market adjusts to reported versus actual yields
- S. American plantings will weigh on oilseed complex at that time as well



Dictate Your Market

-THE ABSOLUTE BEST WAY TO MAKE MORE MONEY-

(Talk to your buyer *BEFORE* you plant)



Thank You

Questions