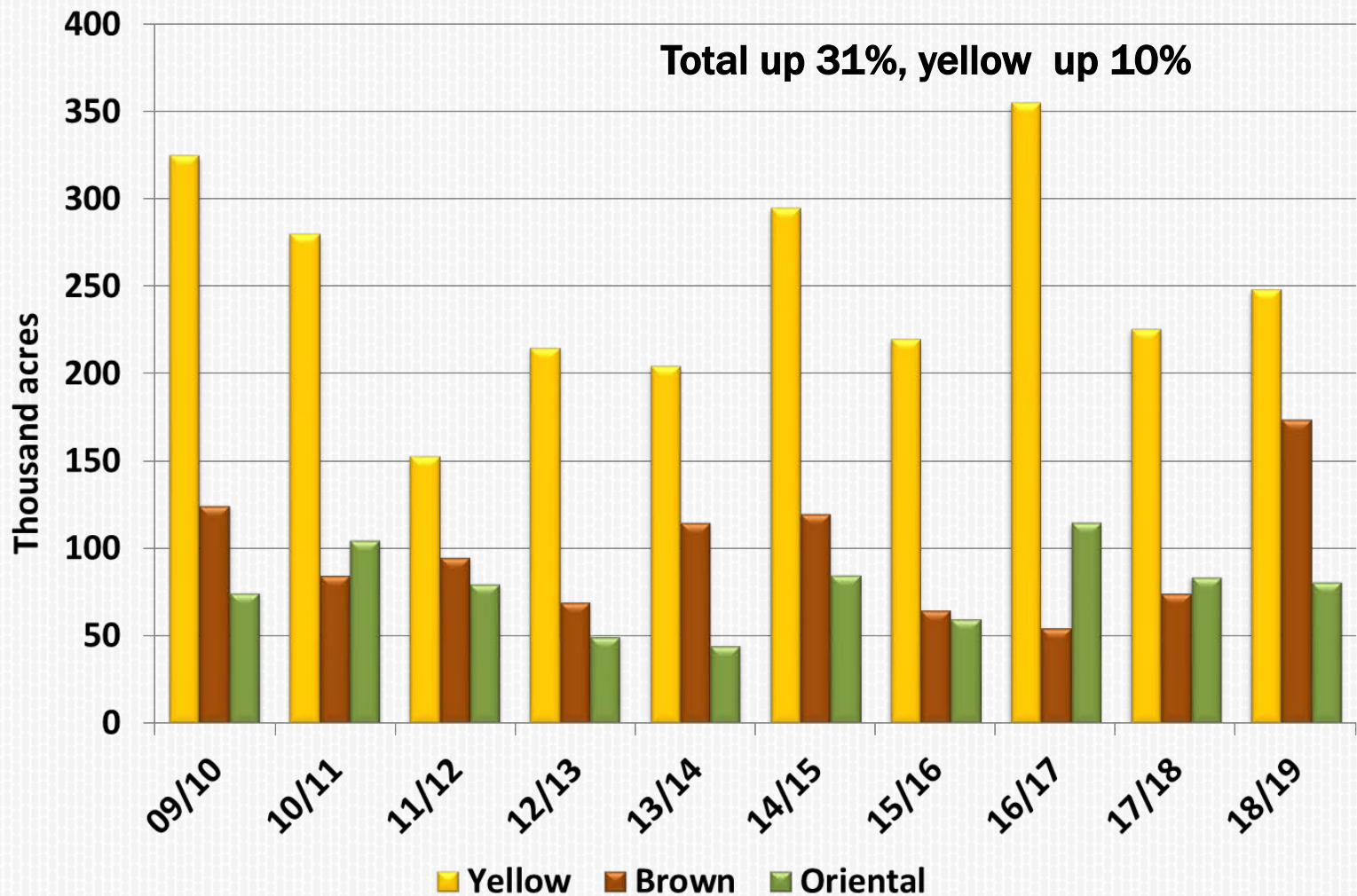


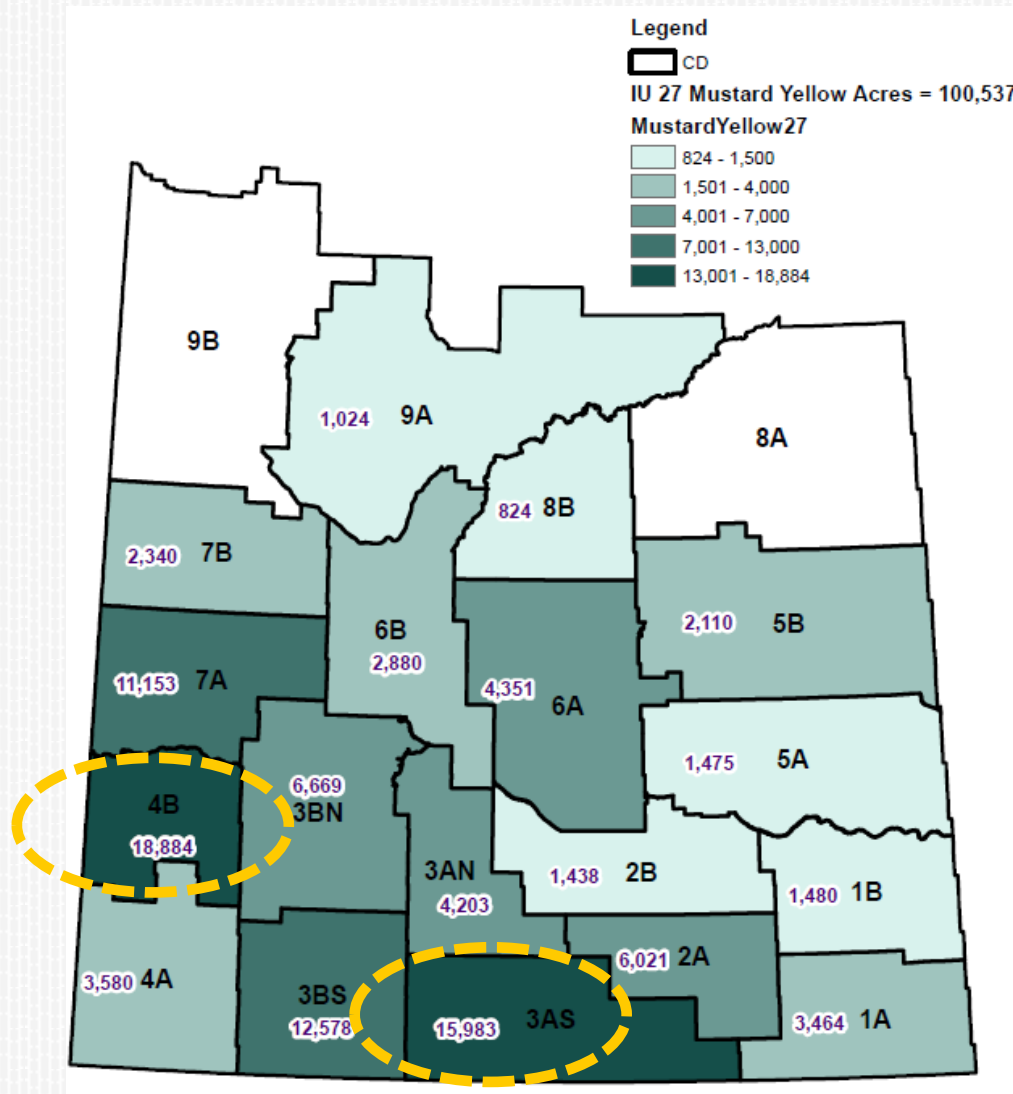
PRESENTATION OUTLINE

- ✖ Mustard outlook
 - + Current environment
 - + Outlook
- ✖ Big picture items
- ✖ Wheat markets
- ✖ Oilseed markets
- ✖ Pulse markets

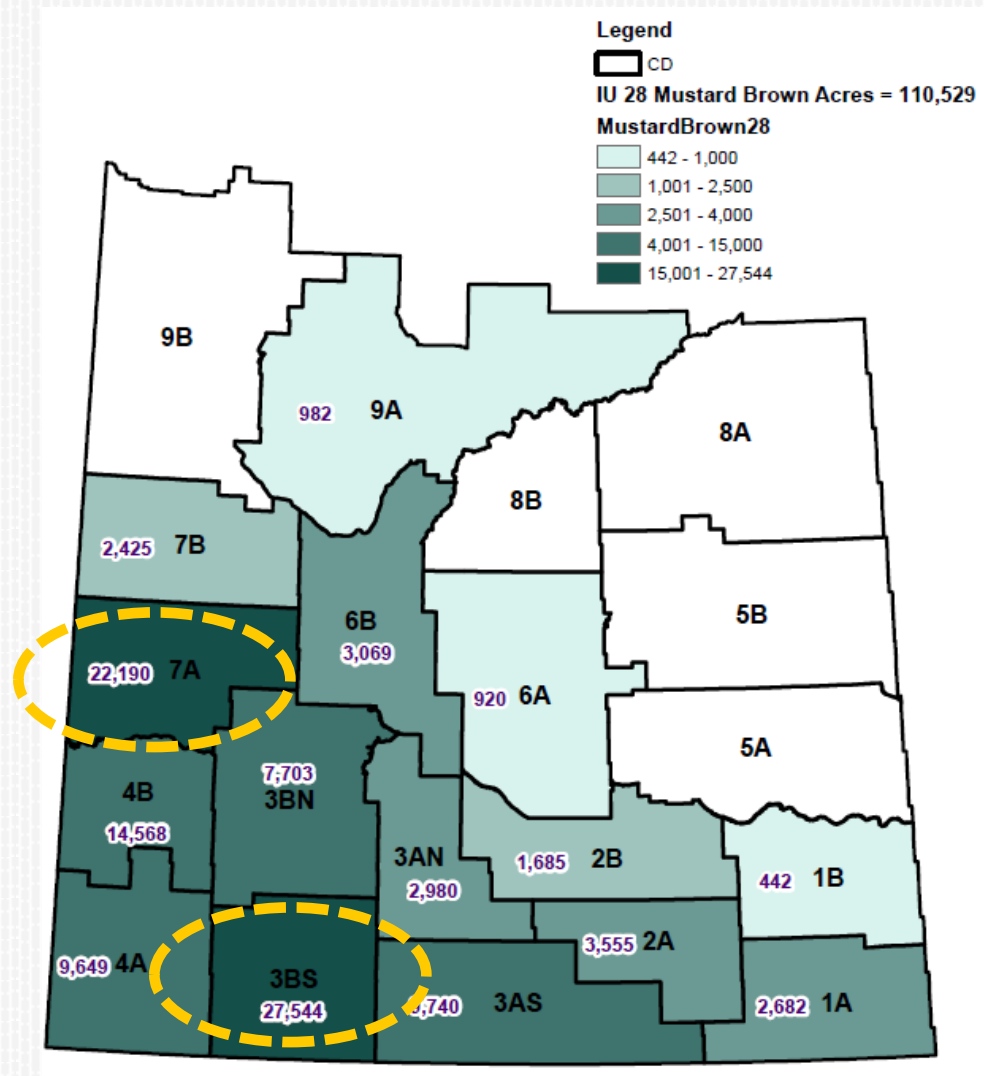
CANADIAN MUSTARD ACREAGE



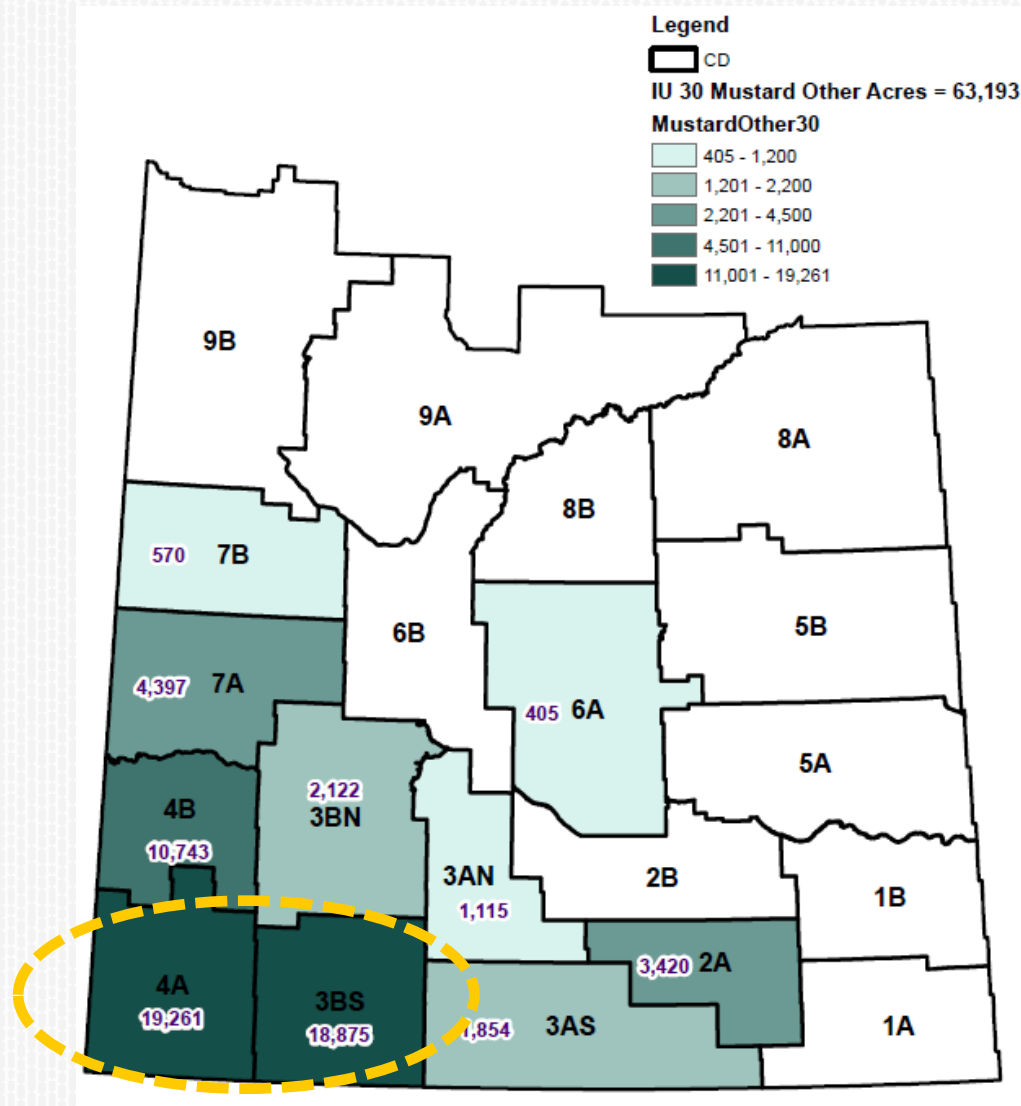
YELLOW MUSTARD ACREAGE – SCIC



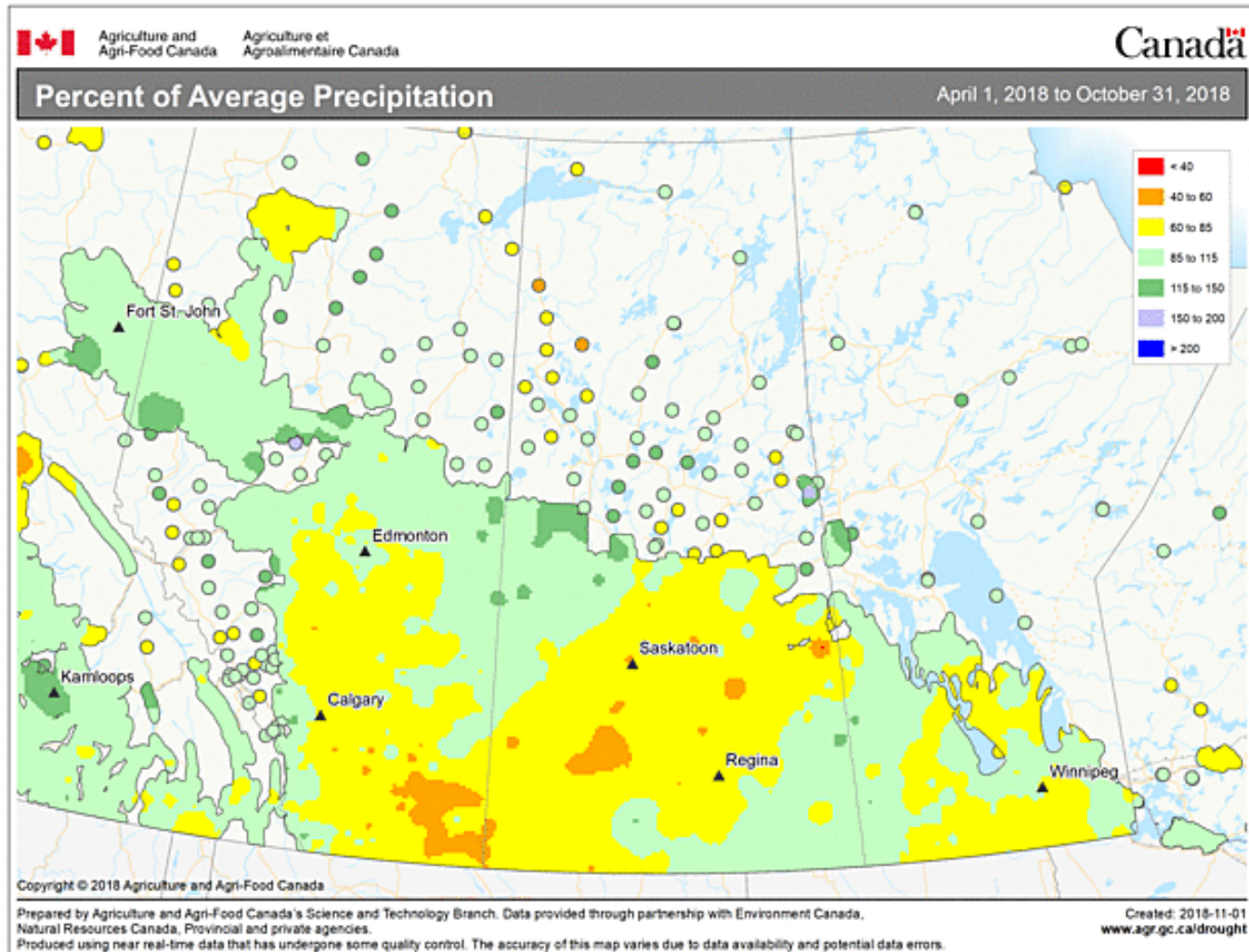
BROWN MUSTARD ACREAGE – SCIC



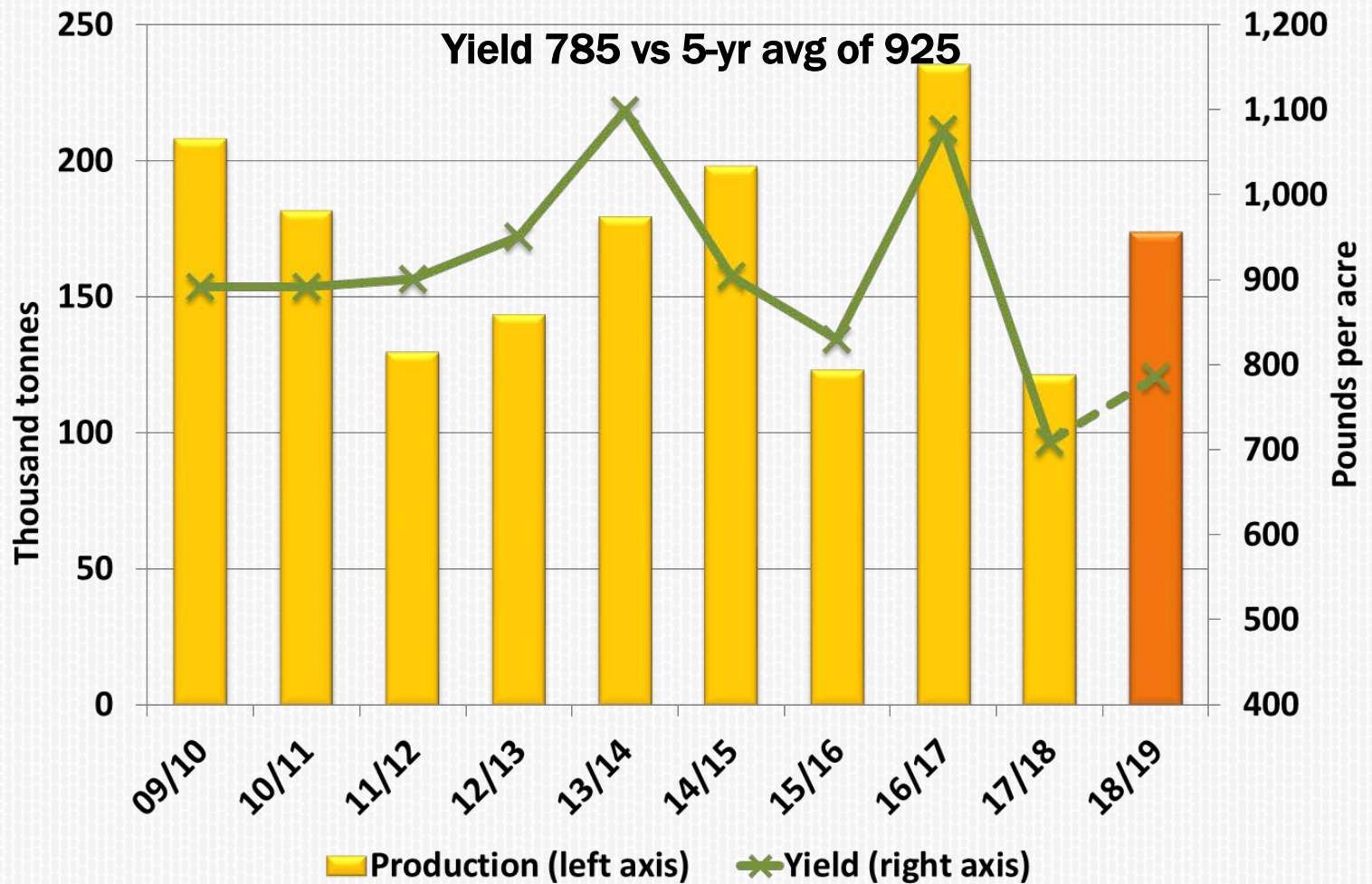
ORIENTAL MUSTARD ACREAGE – SCIC



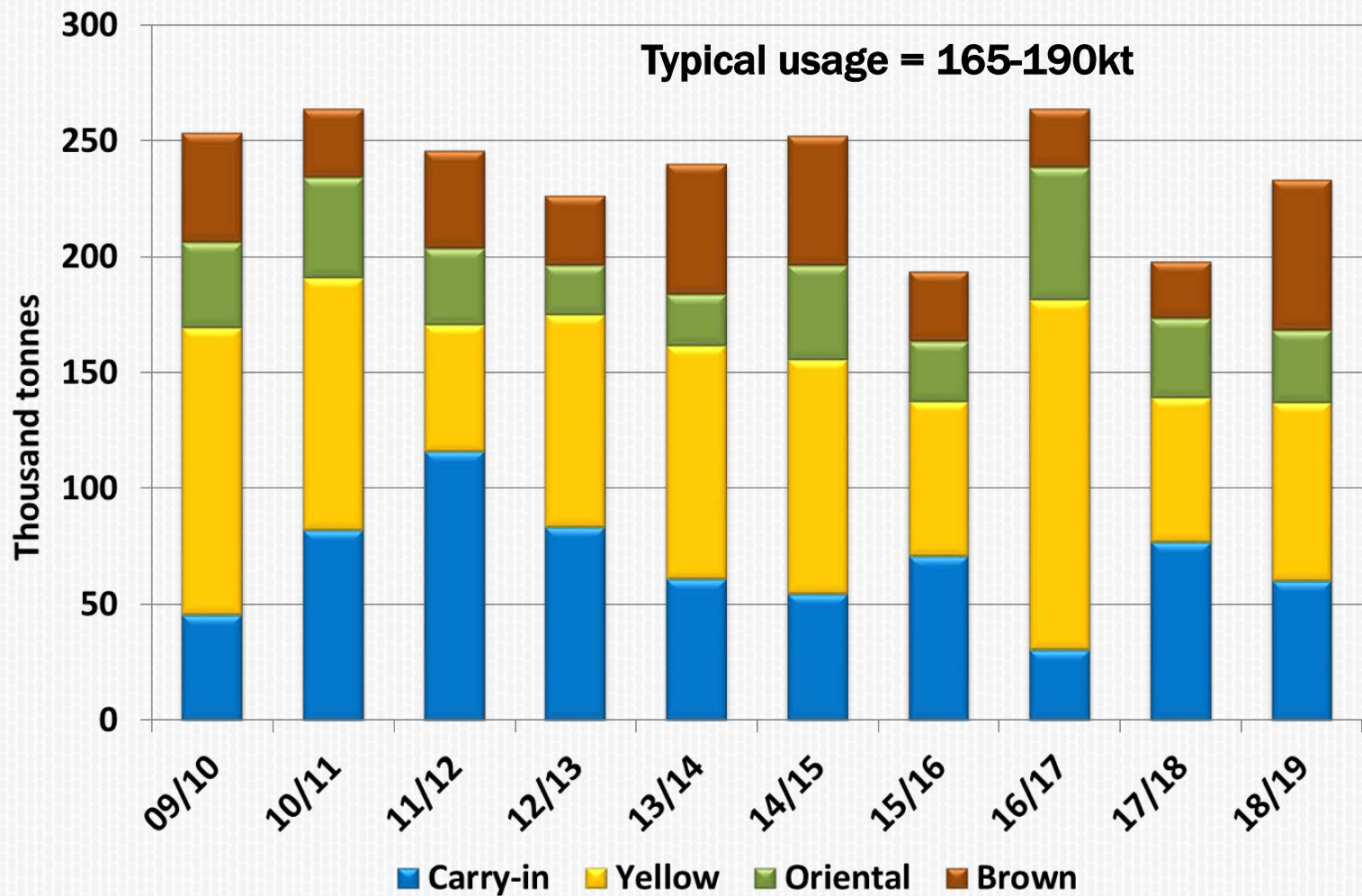
PRECIPITATION – SUMMER 2018



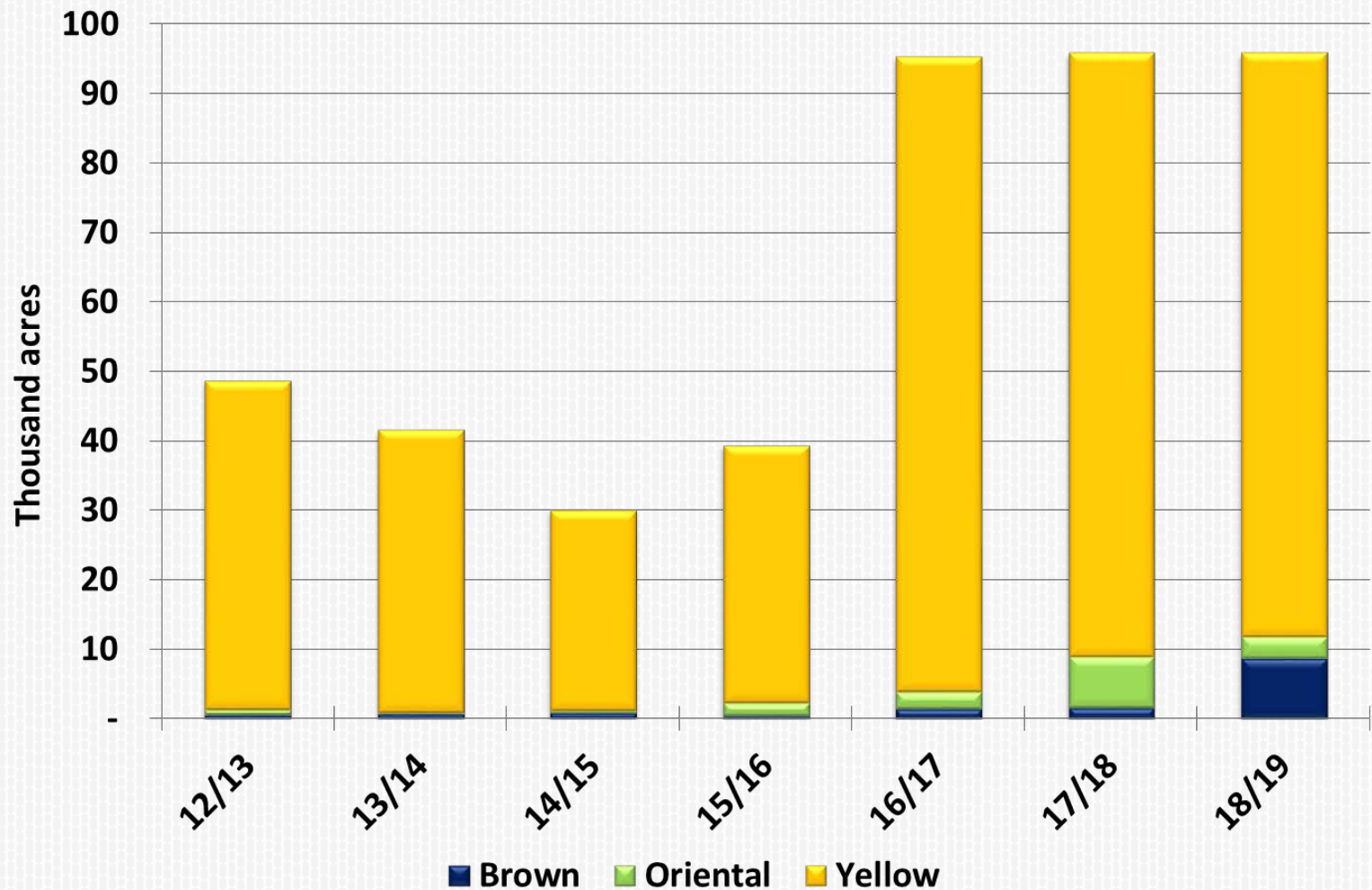
CANADIAN MUSTARD PRODUCTION



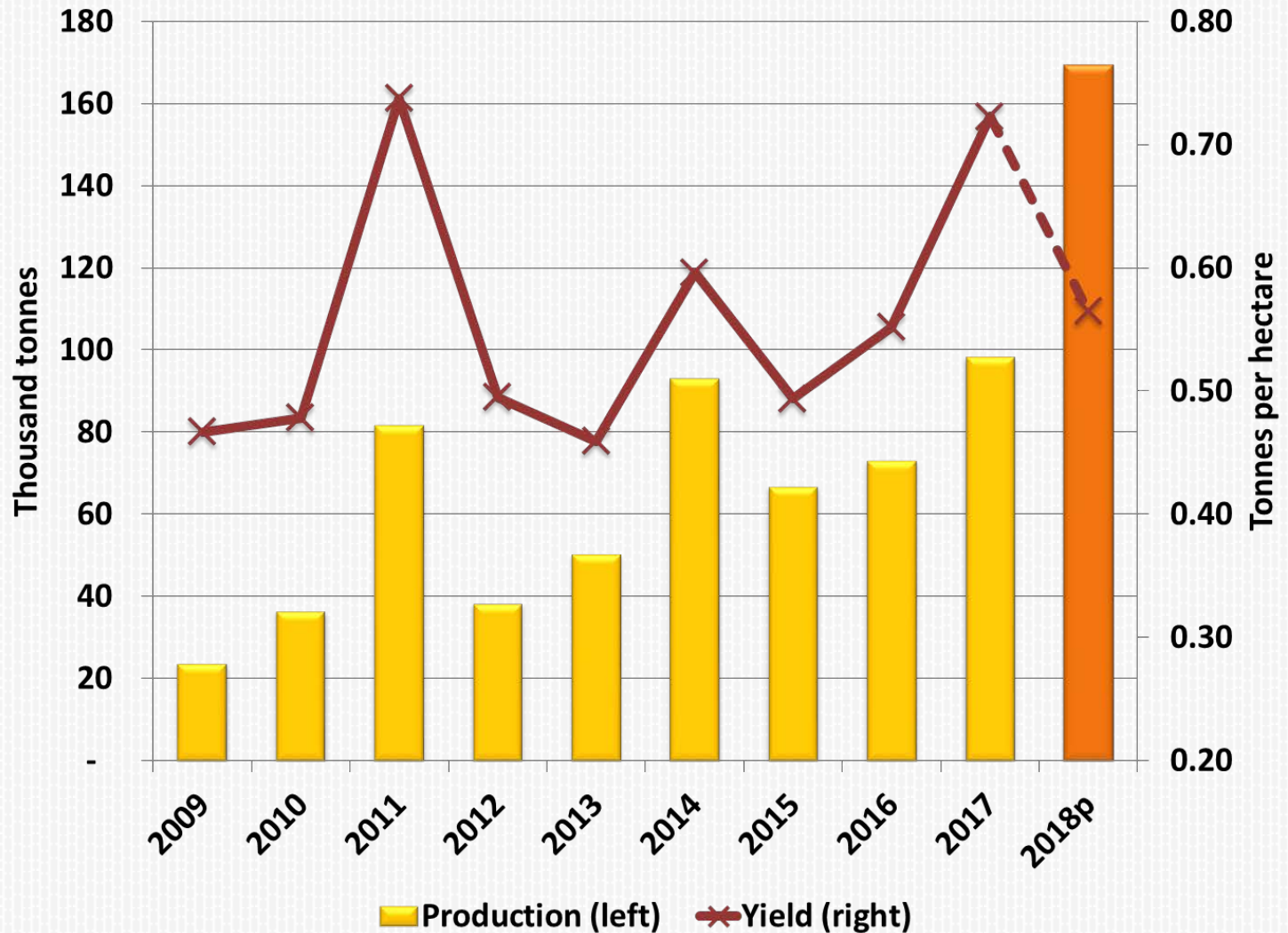
CANADIAN MUSTARD SUPPLIES



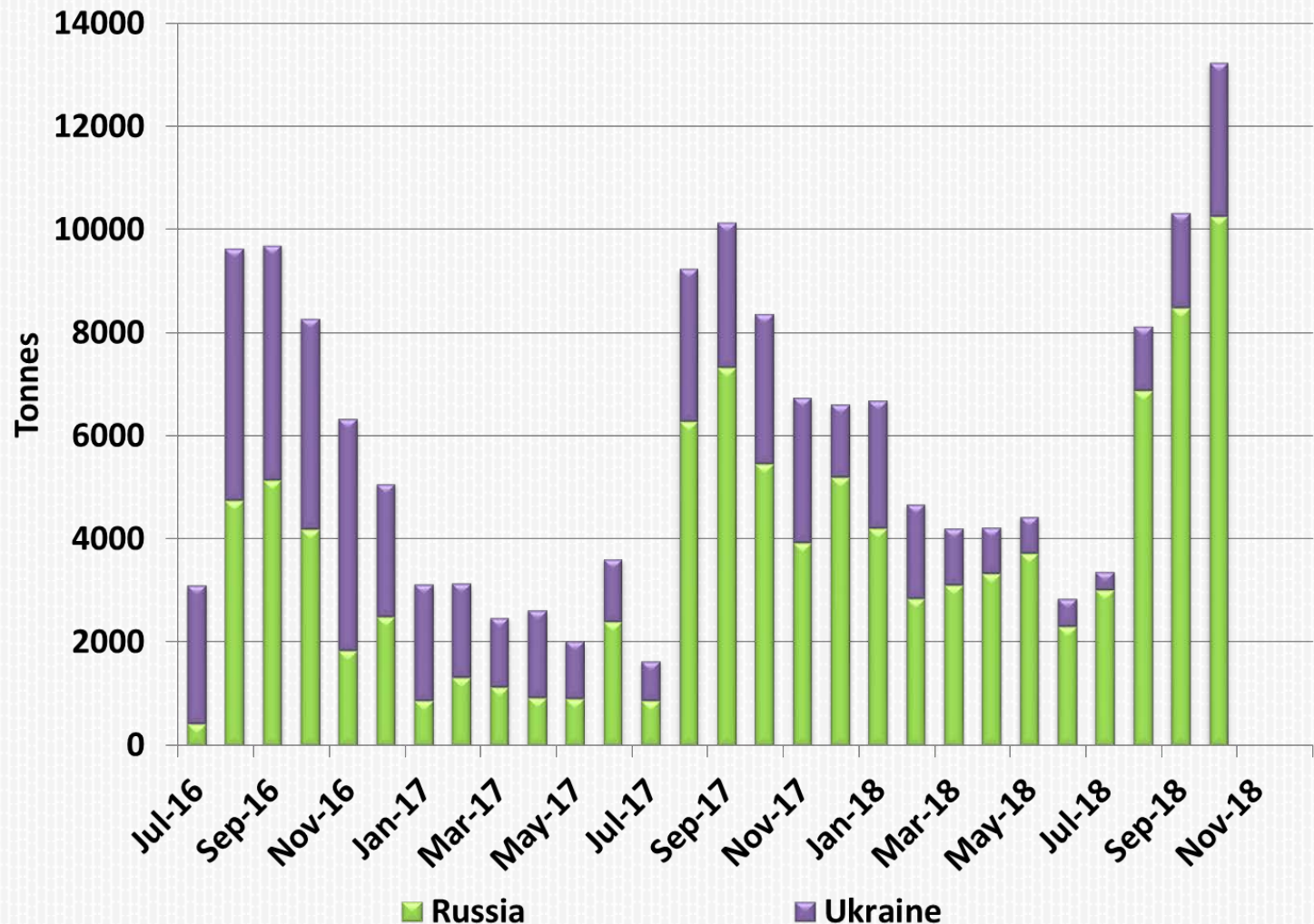
US MUSTARD ACREAGE



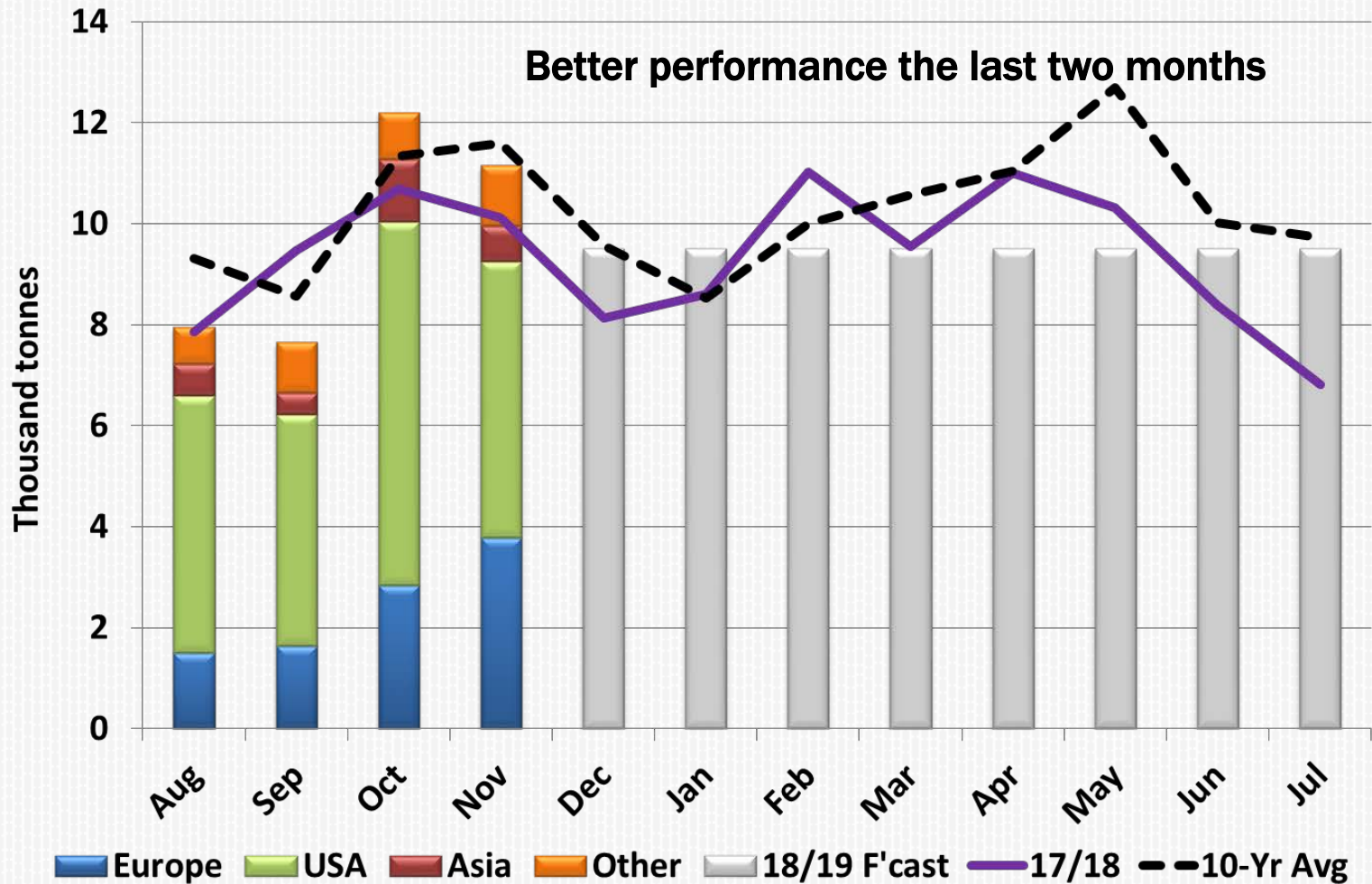
RUSSIA MUSTARD PRODUCTION



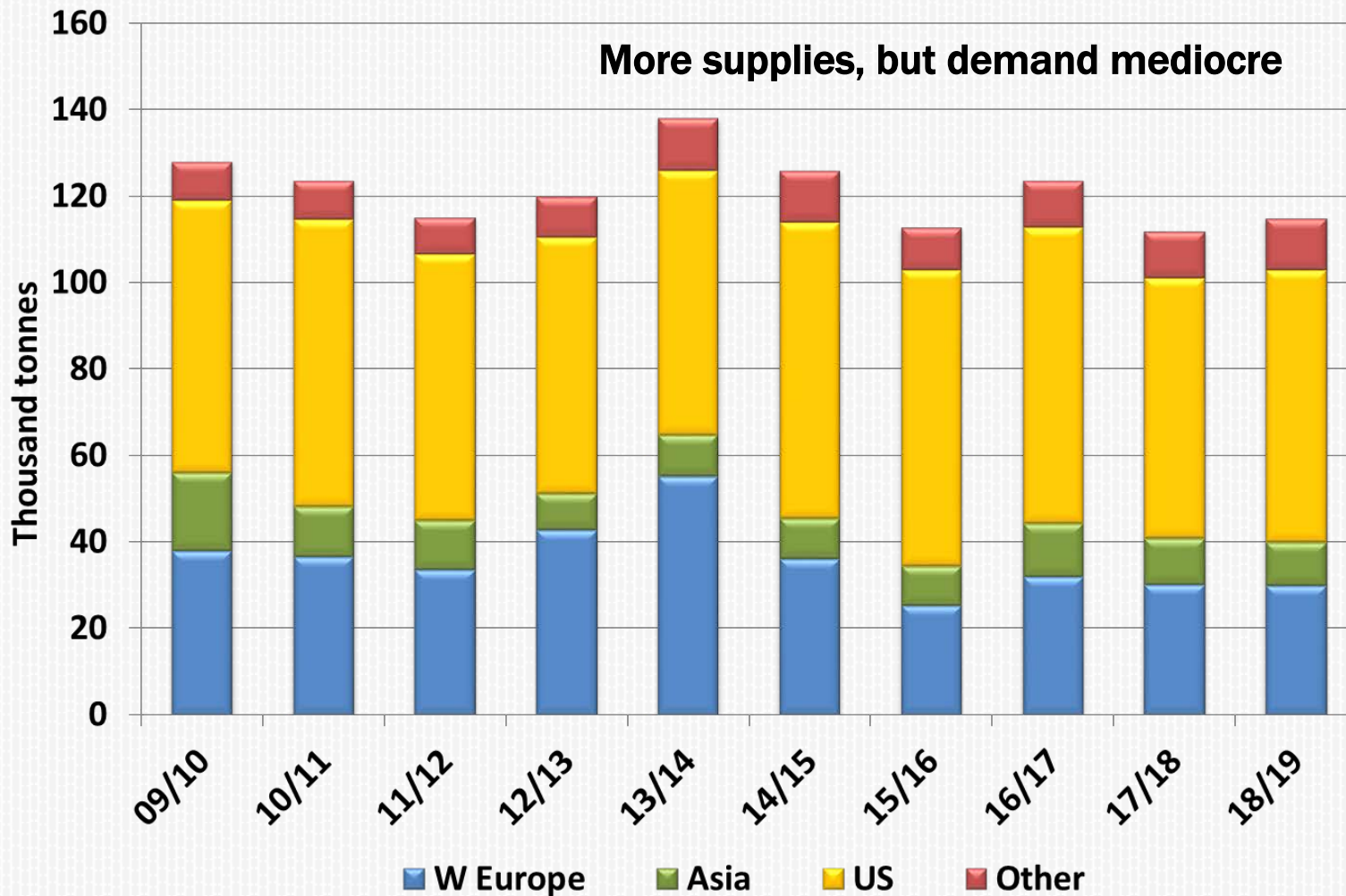
BLACK SEA MUSTARD EXPORTS



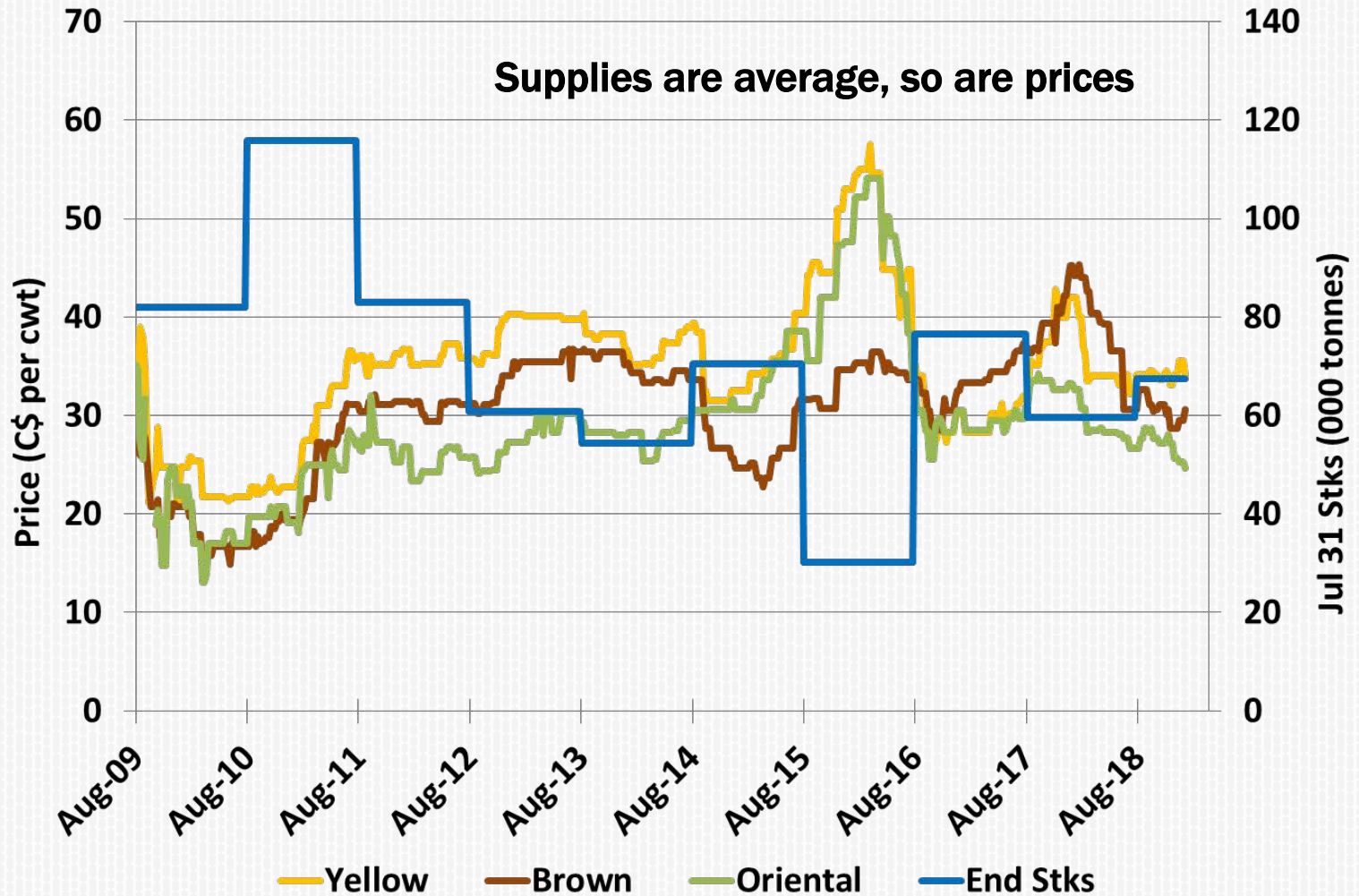
CANADIAN 18/19 MUSTARD EXPORTS



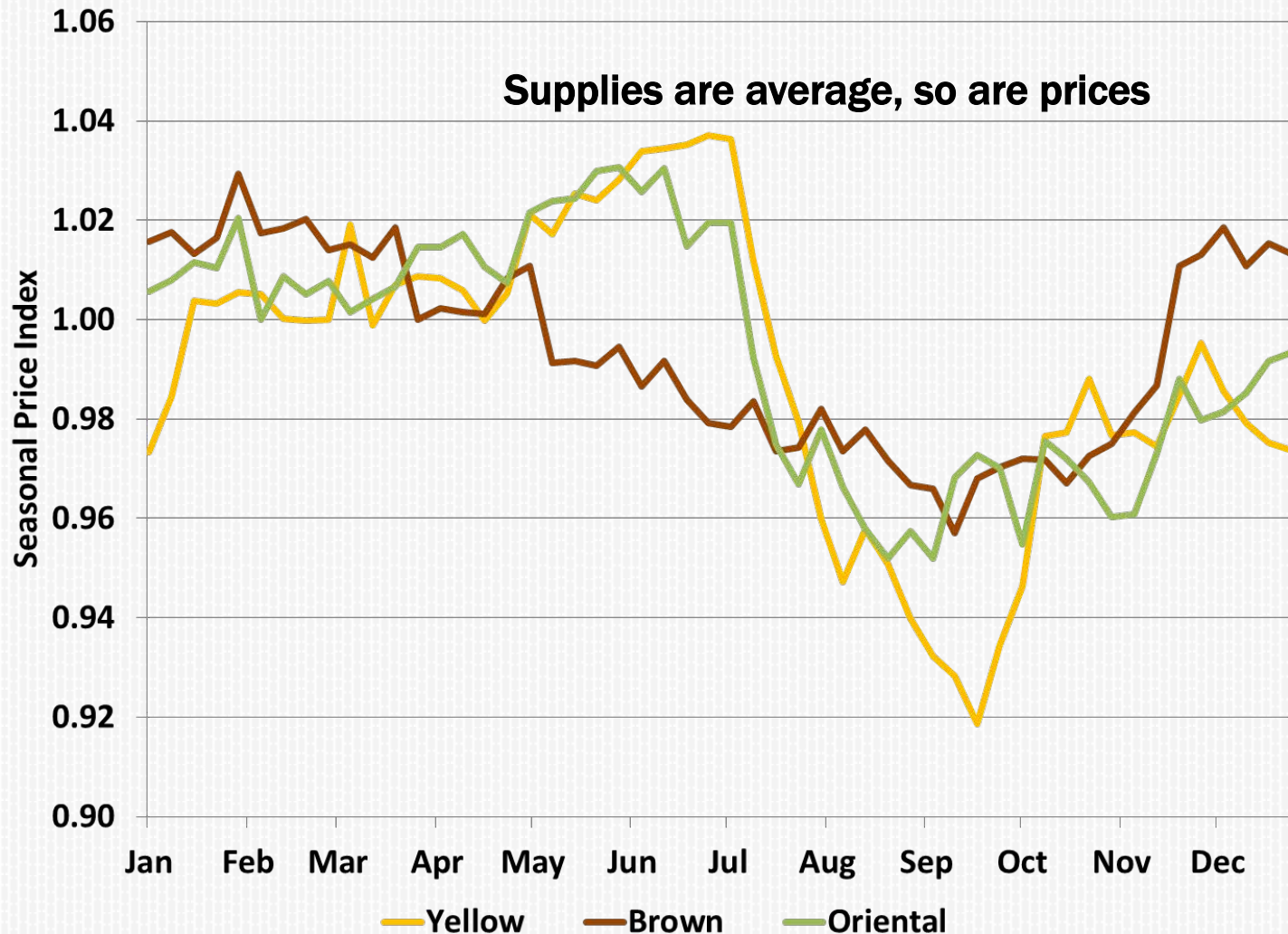
CANADIAN MUSTARD EXPORTS



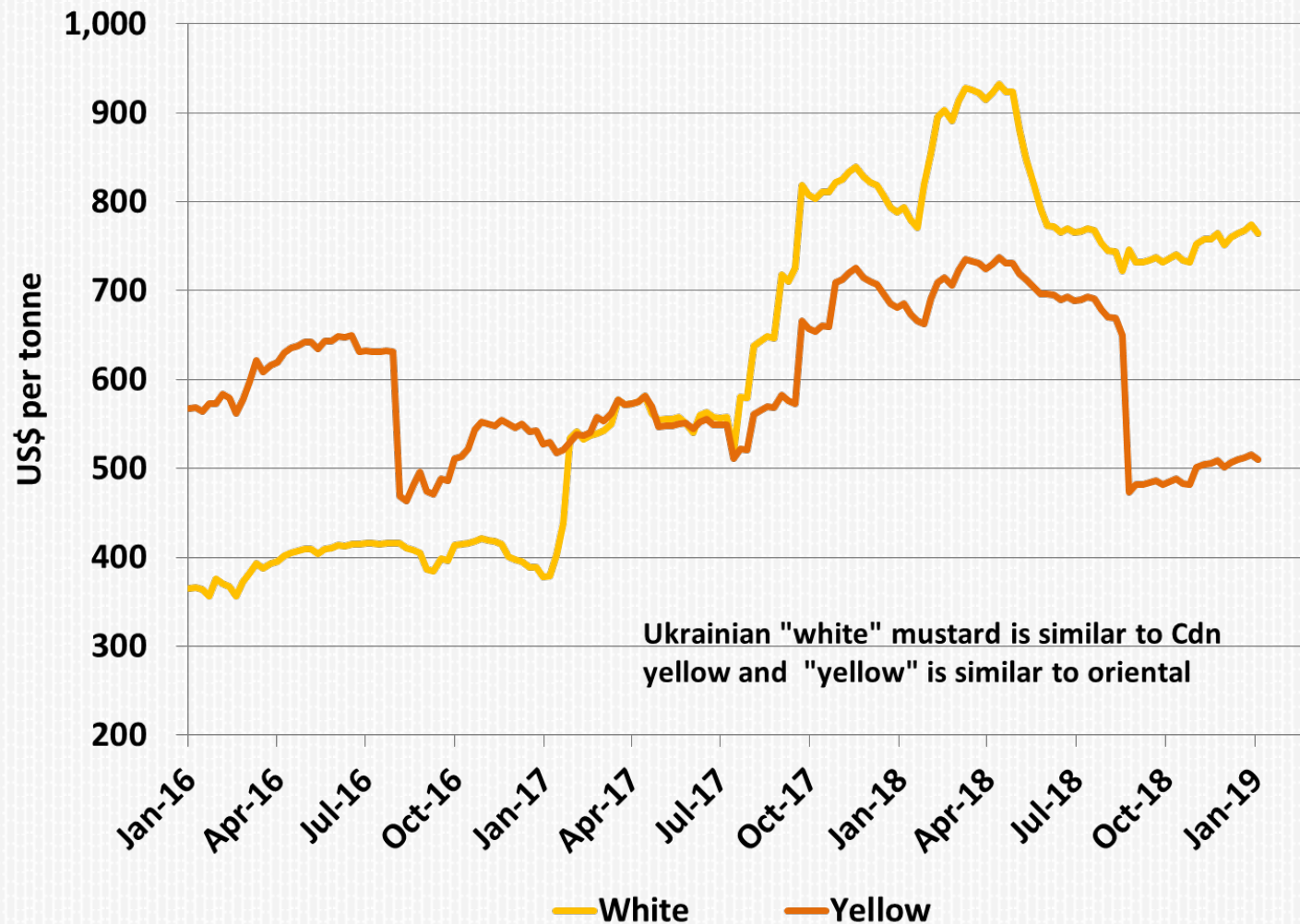
CDN MUSTARD BIDS & SUPPLIES



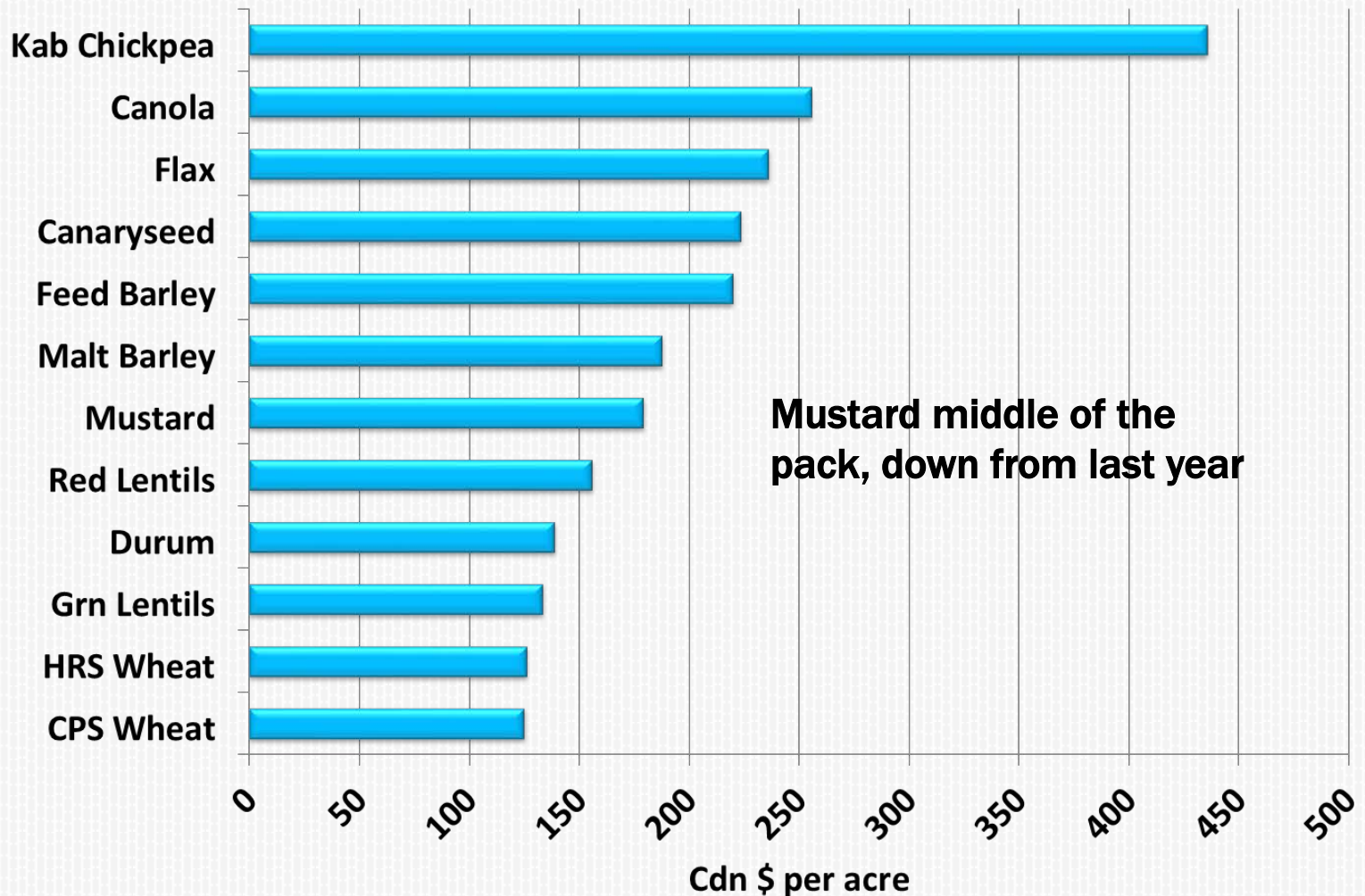
MUSTARD BID SEASONALITY



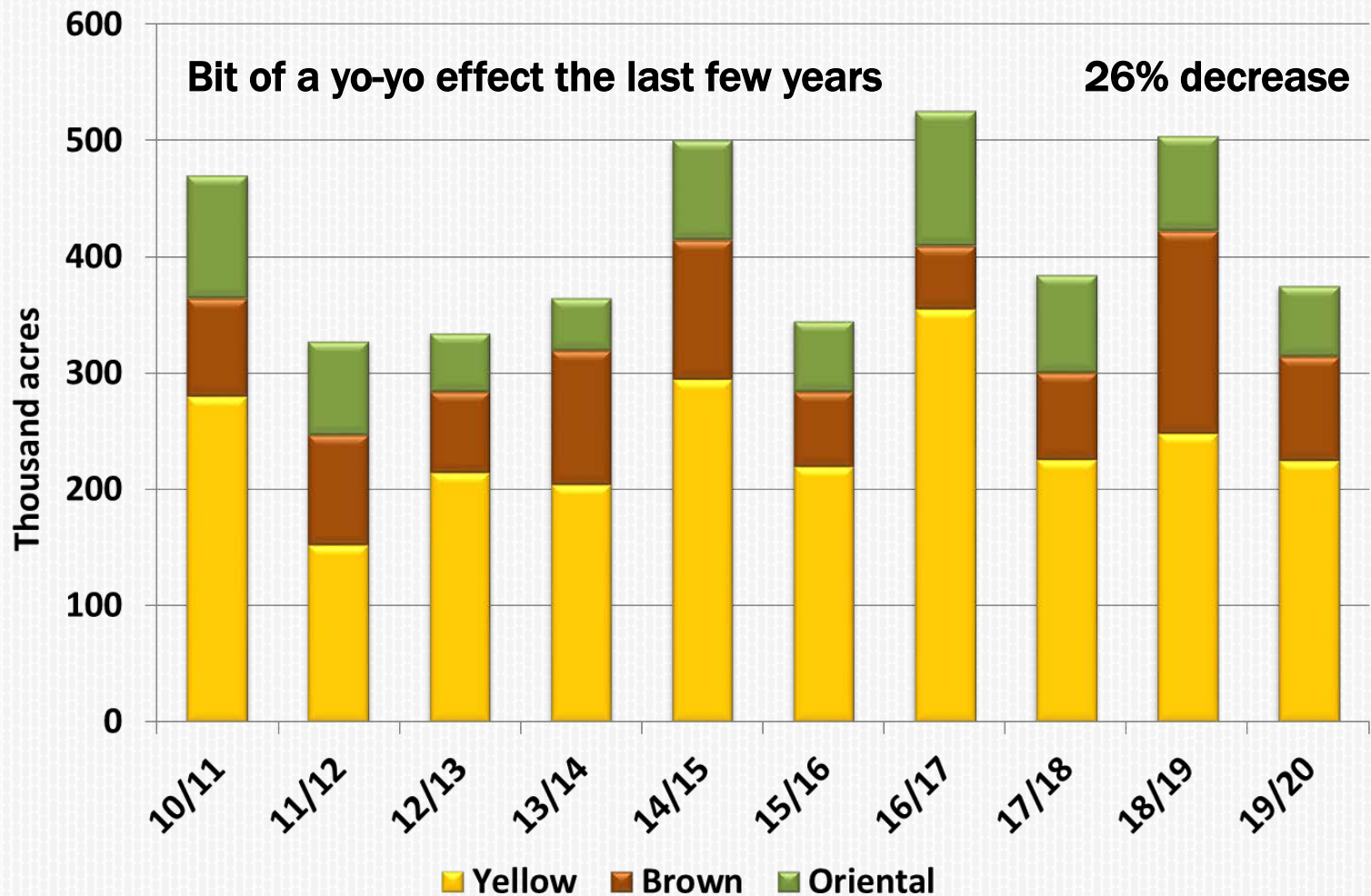
UKRAINIAN MUSTARD PRICE



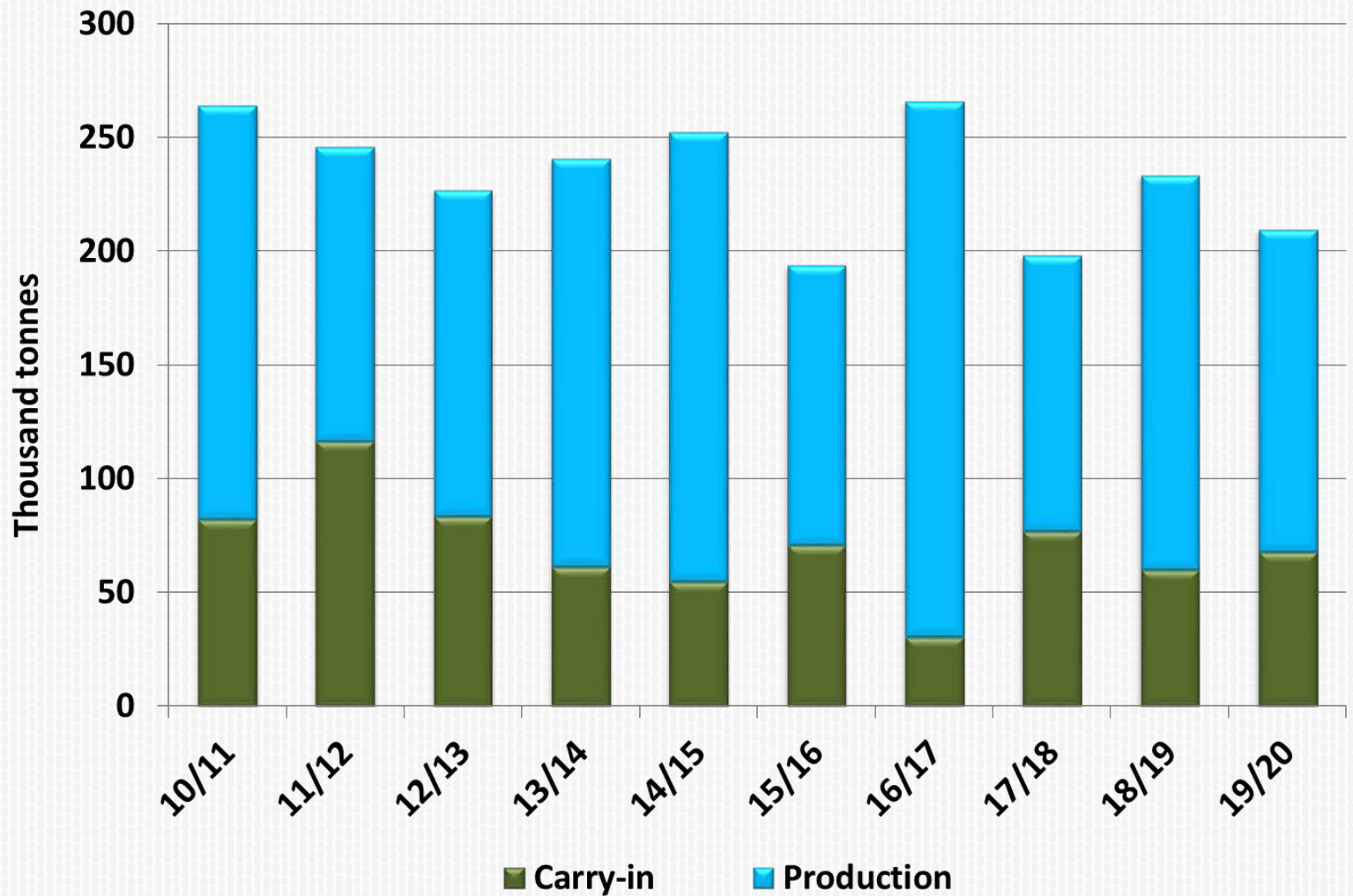
2019 GROSS MARGIN PROJECTIONS



NEW CROP ACREAGE FORECAST



CANADIAN MUSTARD SUPPLIES



MUSTARD SUPPLY & DISPOSITION

	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>
Seeded Acres, 000's	345	510	385	504	375
Harvested Acres, 000'	328	482	378	487	364
Yield (lbs/acre)	829	1,078	709	786	861
Supply ('000 tonnes)					
Carry-In	70	30	77	60	67
Production	123	236	122	174	142
Imports	1	1	1	1	1
Total Supply	195	267	224	234	210
Disposition ('000 tonnes)					
Seed	2	2	3	2	2
Other Domestic	50	65	50	50	52
Exports	113	124	112	115	115
Total Disposition	165	190	164	167	169
Ending Stocks	30	77	60	67	41
Stocks/Use	18%	40%	36%	40%	25%

Source: Statistics Canada with LeftField projections in bold

MUSTARD MARKET OUTLOOK

✕ Rest of 2018/19

- + Comfortable supplies of brown, yellow & oriental lower
- + Mediocre demand from Europe and US
- + Steady bids, maybe up a bit late: reluctant farmer selling

✕ In 2019/20

- + Drop in acreage, less so for yellow; Canada & elsewhere
- + Steady demand
- + Prices will firm up but not spike

BIGGER PICTURE ITEMS

- ✘ Trade disputes lead to guessing games
 - + Geopolitical games
- ✘ Hangover of bearish sentiment for cereals
 - + Disconnected (mostly) from fundamentals
 - + Slow turn of the ship
- ✘ Several production problems
 - + Northern Europe, Australia, Brazil
 - + Just not in the US

IS THIS THE OUTLOOK?



OR THIS?



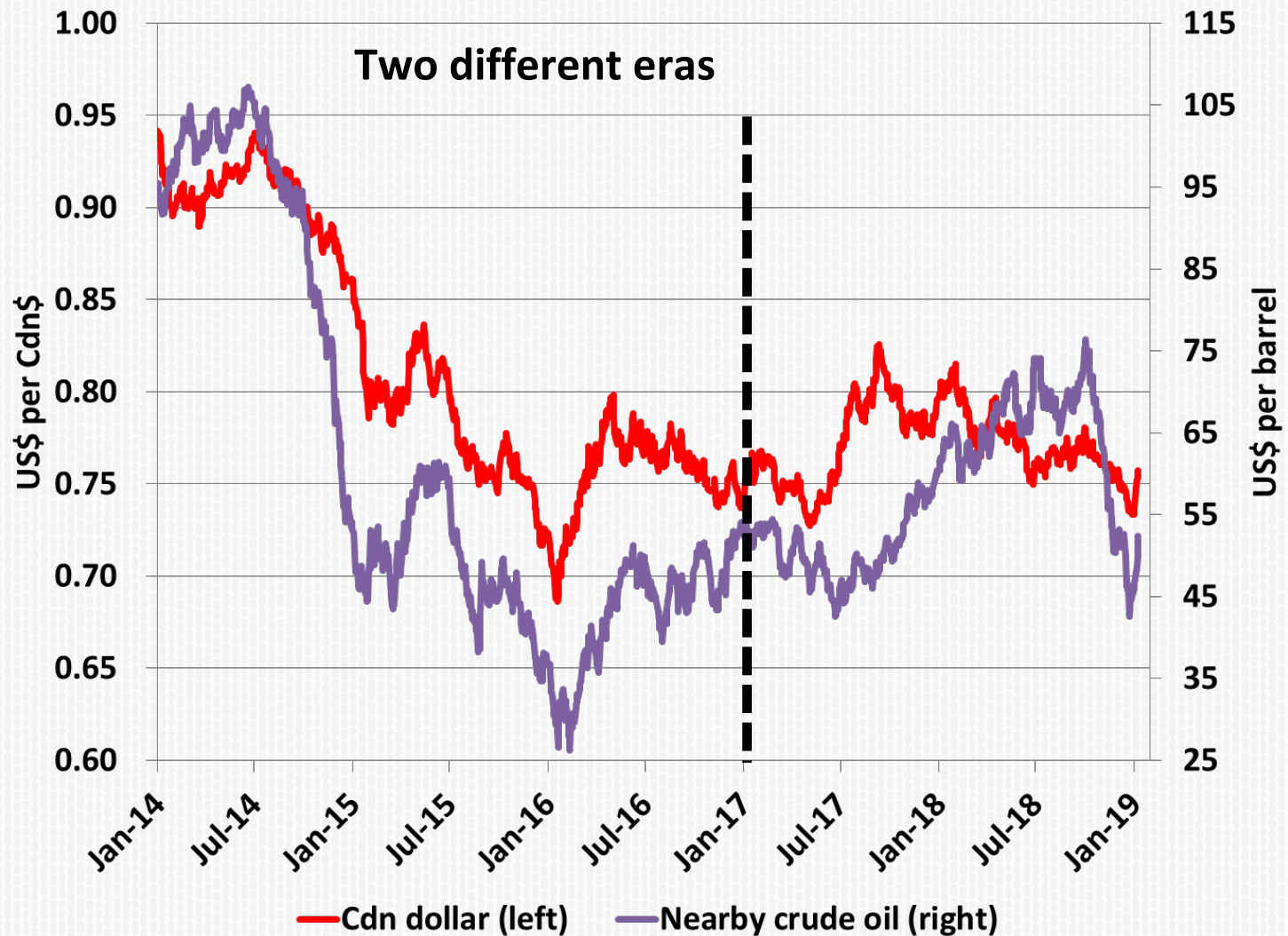
TRADE DISPUTES

- × US & China are the heavyweights
 - + US calling for fundamental changes in China's practices
 - + Not simply a quarrel over tariffs
 - + No quick or easy resolution

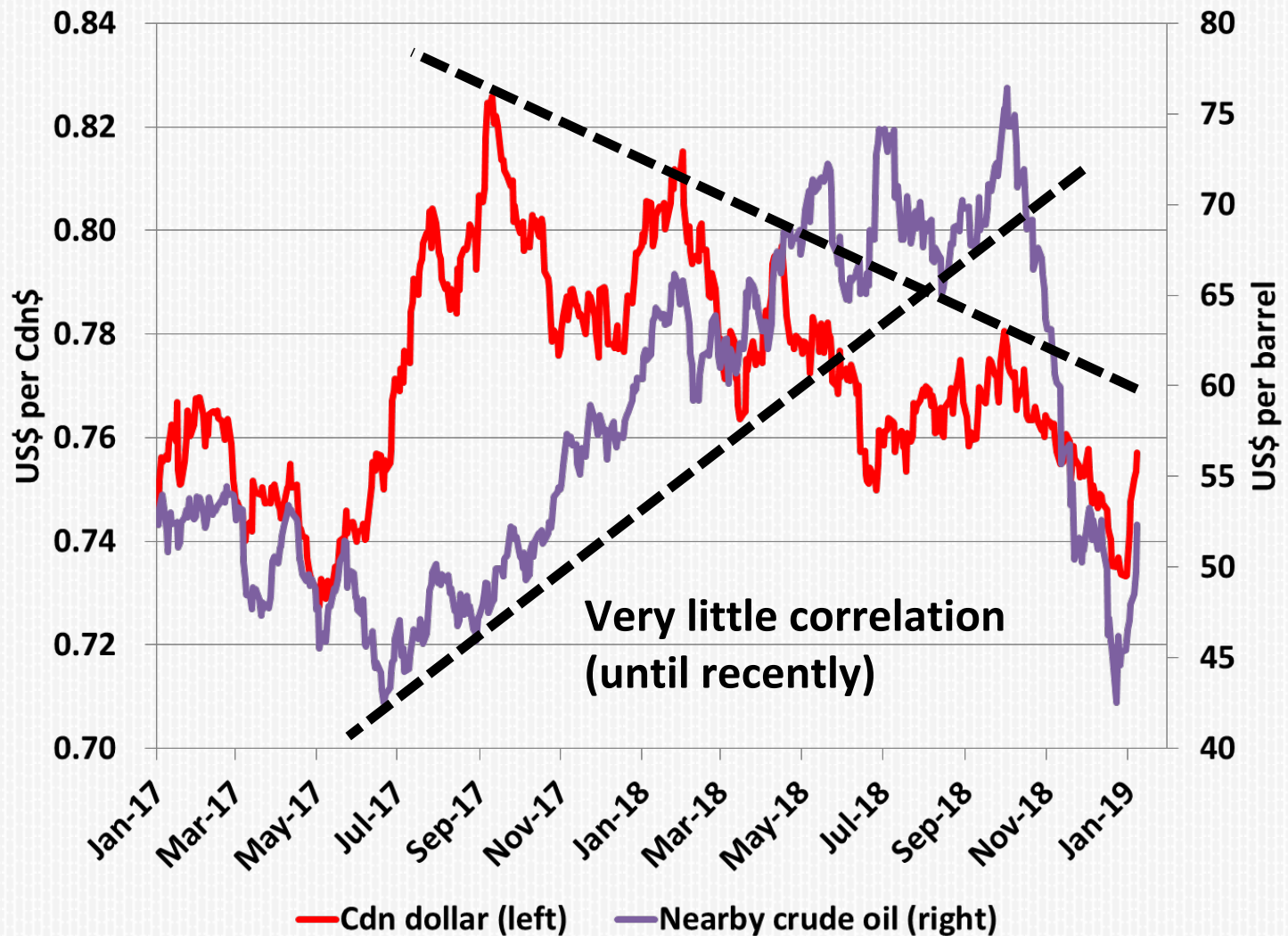
SPILLOVER EFFECTS

- × Some increased Chinese demand for Cdn crops
 - + Canola, soybeans, peas
 - + A little underwhelming
- × Pressure for countries to pick sides
 - + Canada trying to be brave, but pretty quiet so far
 - × Diplomatic kerfuffle
 - + Australia hit with Chinese barley probe

CANADIAN DOLLAR

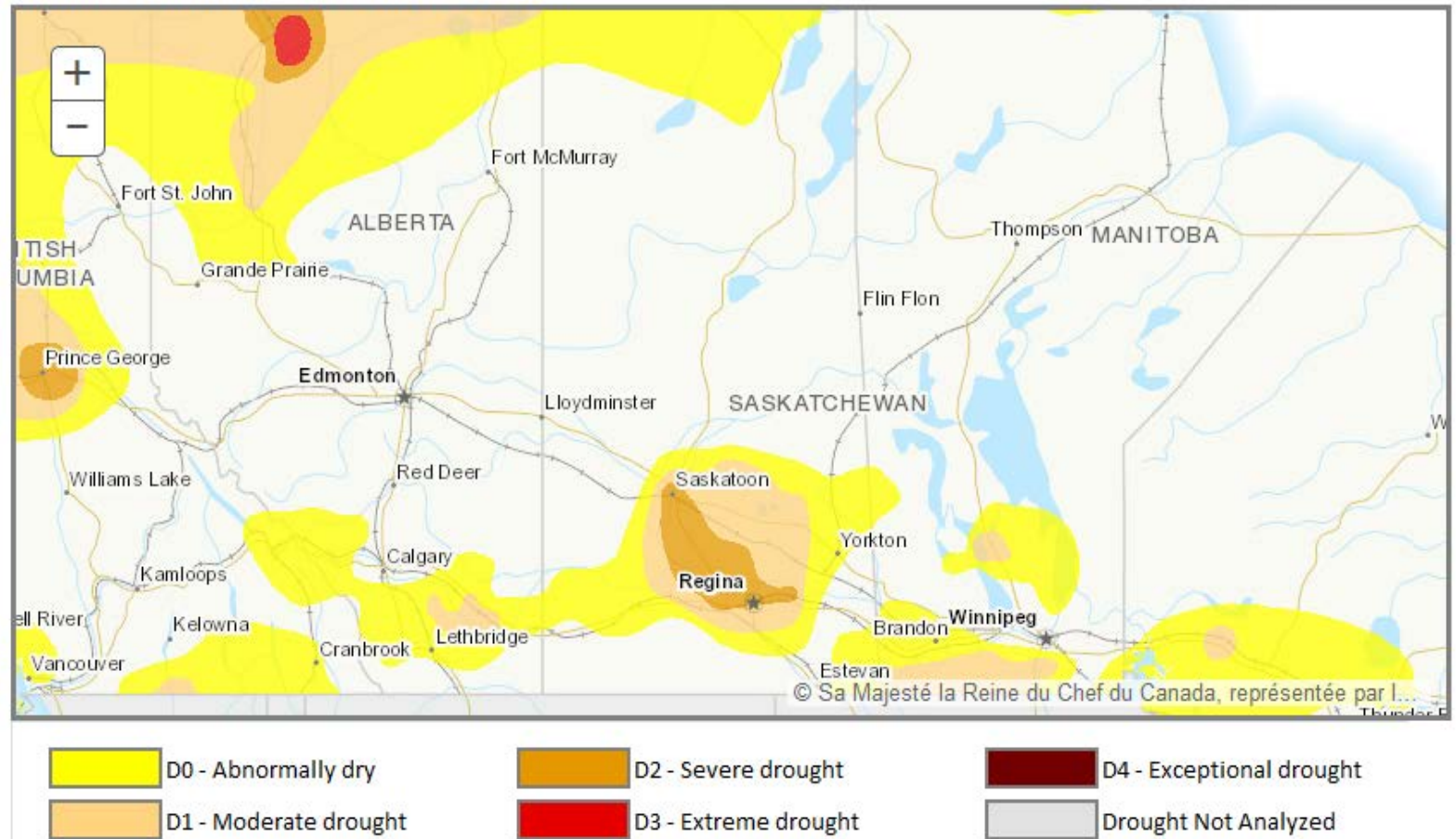


VOLATILE CANADIAN DOLLAR



WEATHER HARBINGERS FOR 2019

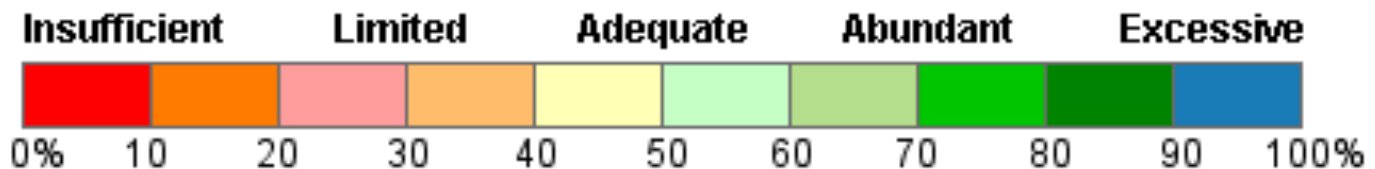
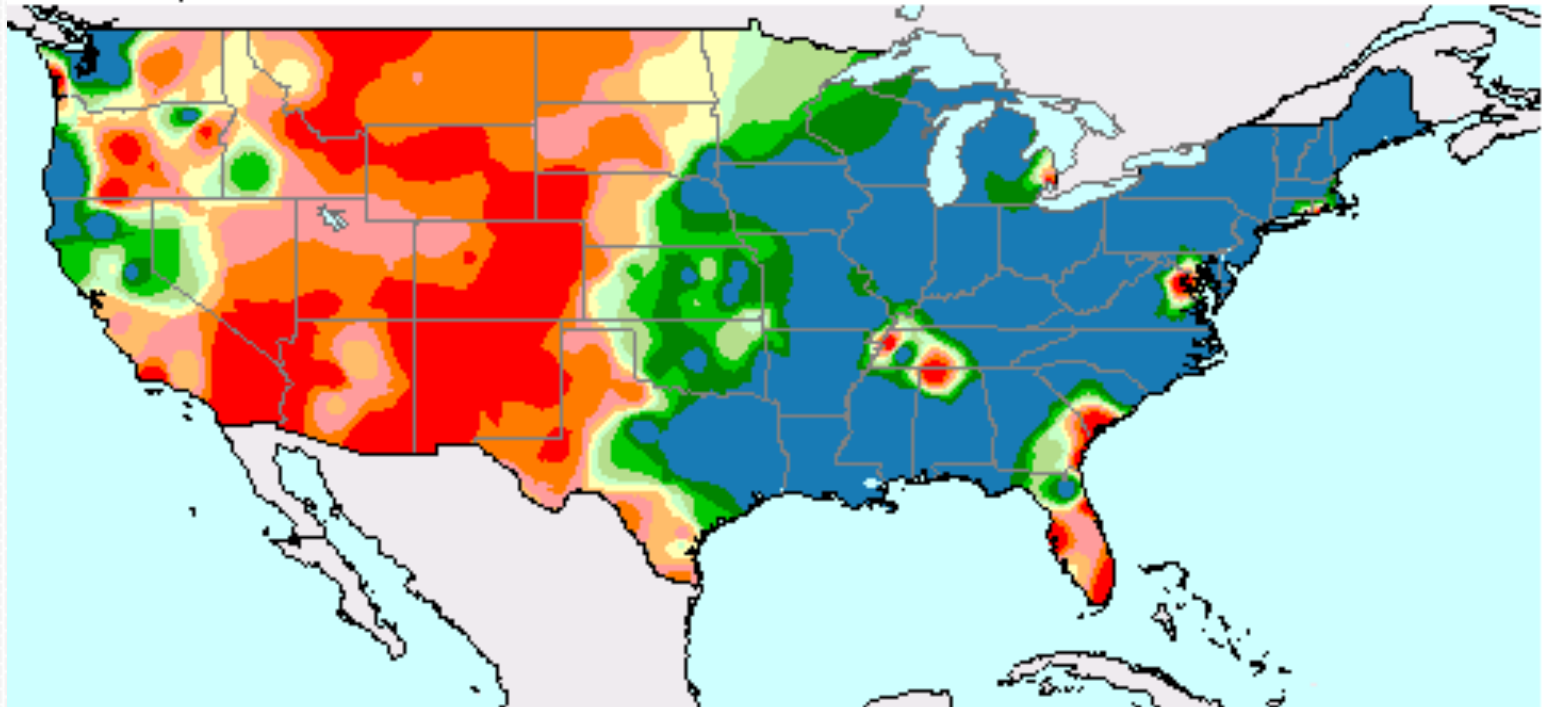
Drought conditions as of December 31, 2018



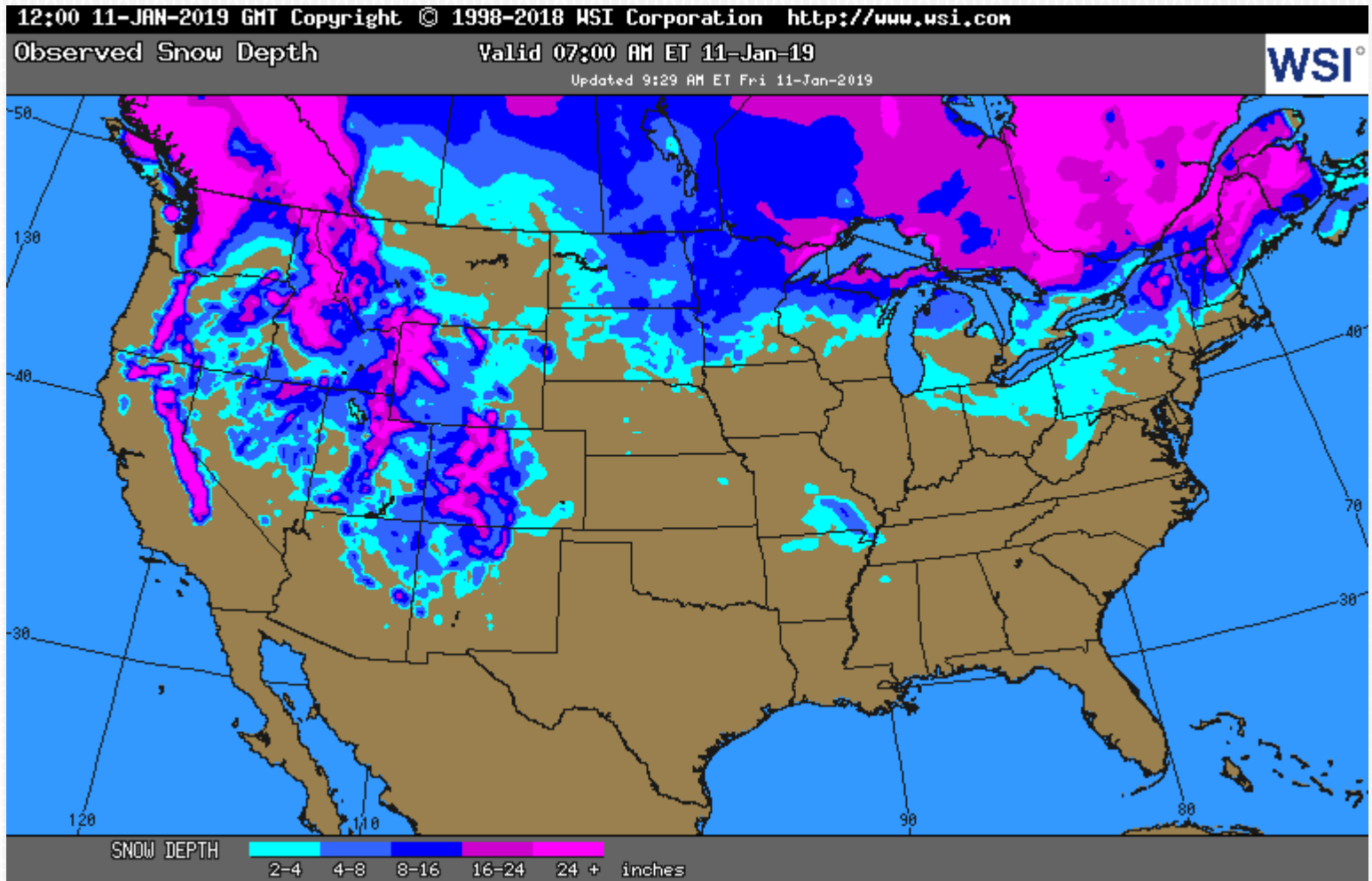
WEATHER HARBINGERS FOR 2019

Percent Soil Moisture (WMO)

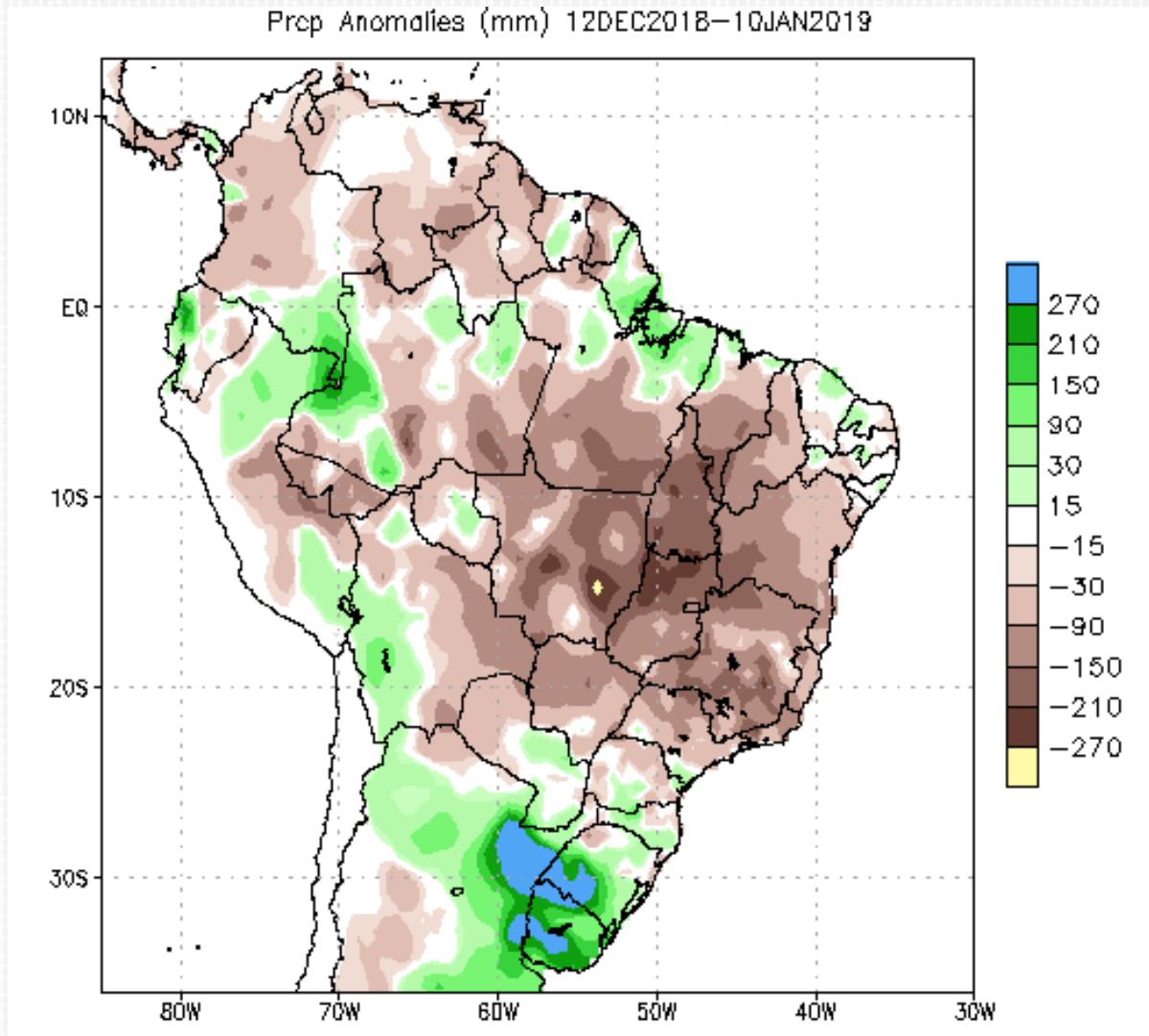
Dec. 30, 2018



WEATHER HARBINGERS FOR 2019

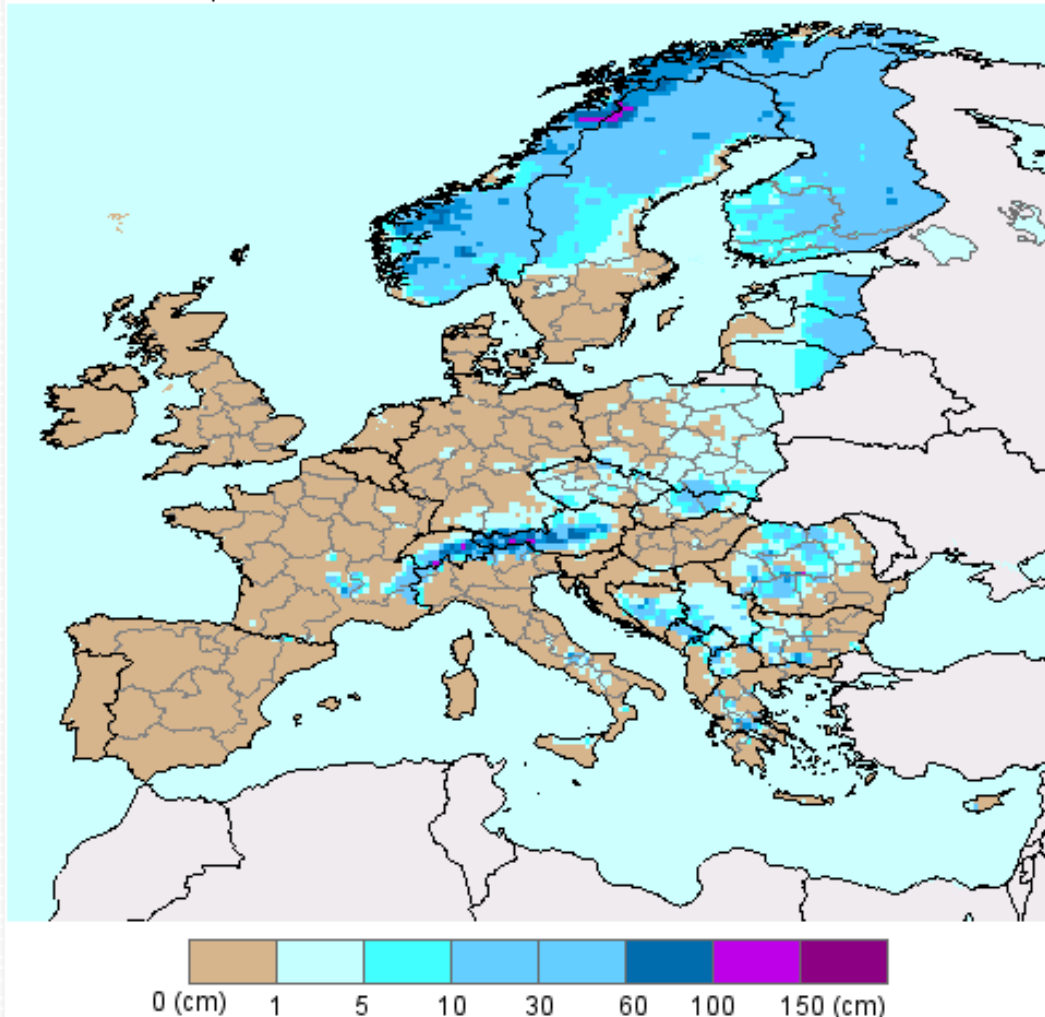


WEATHER HARBINGERS FOR 2019



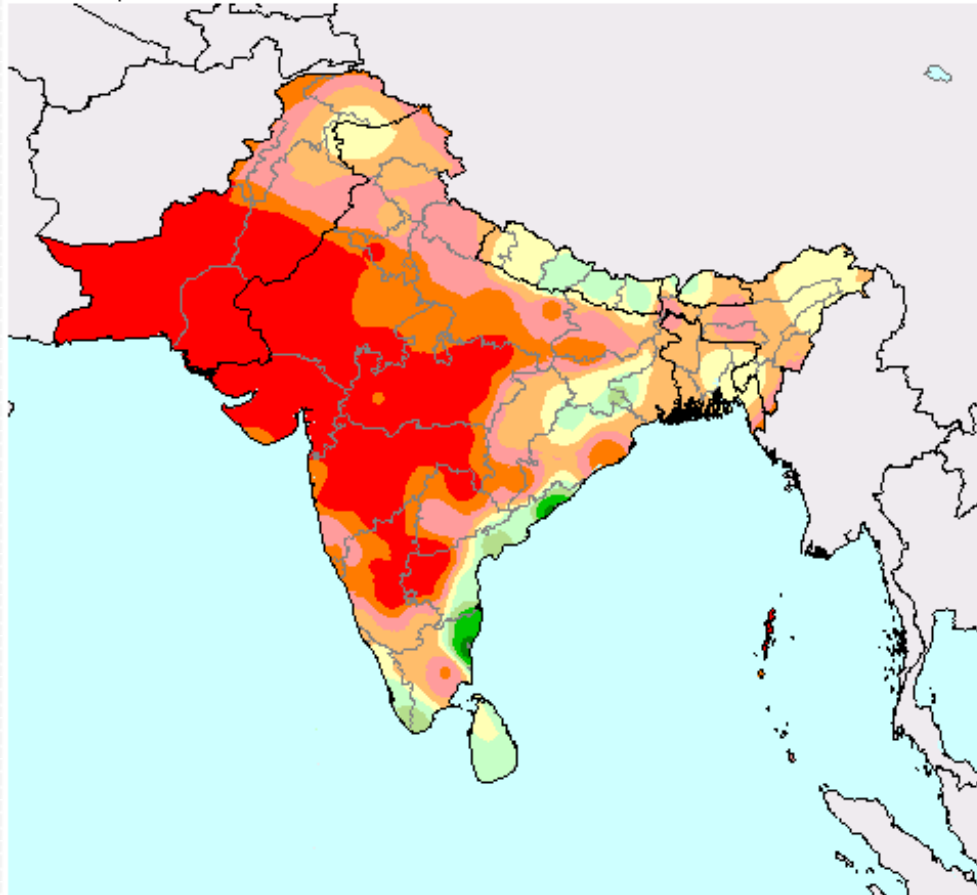
WEATHER HARBINGERS FOR 2019

Snow Depth (USAF 557th WW)
Dec. 31 - Jan. 6, 2019

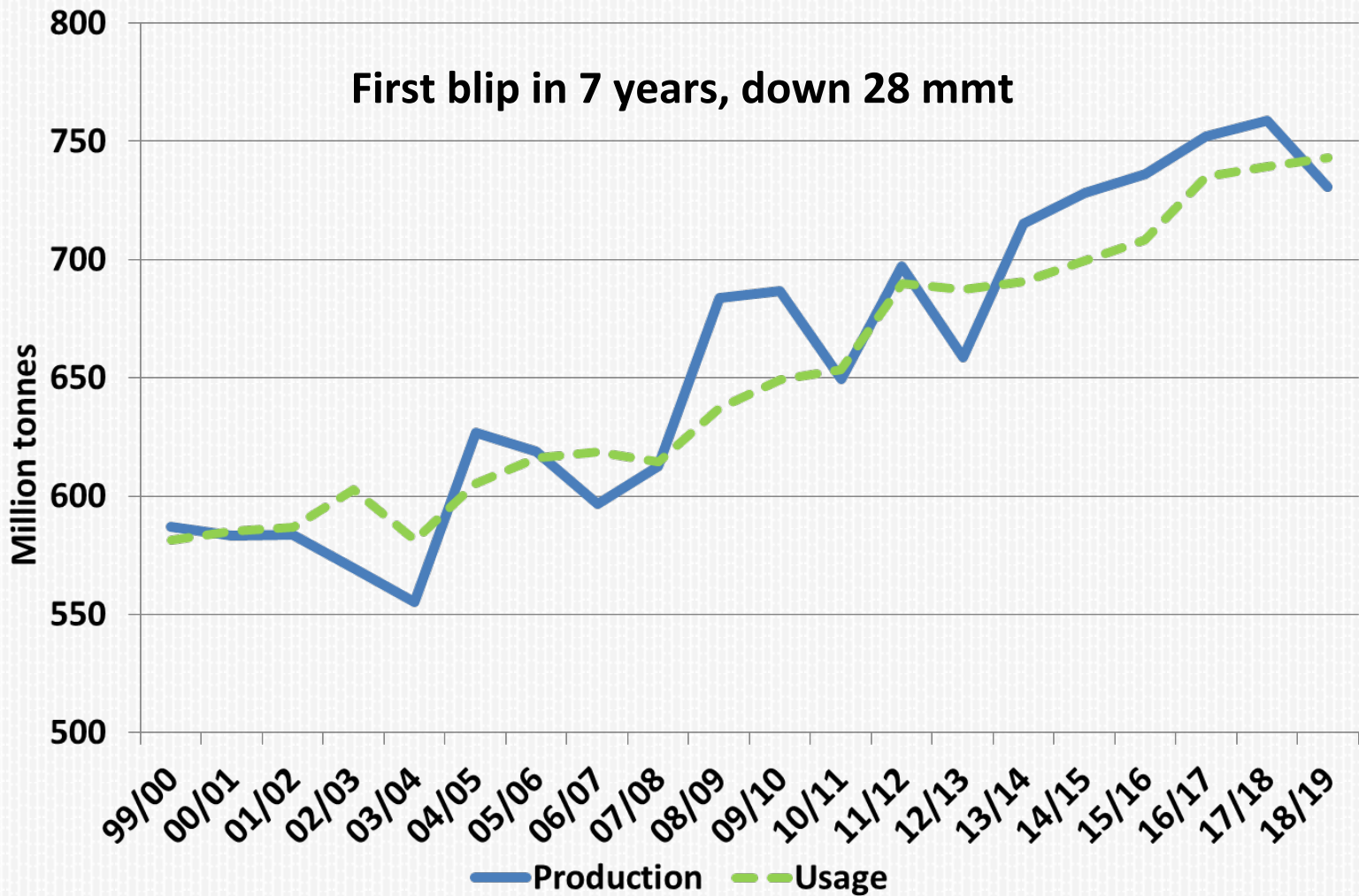


WEATHER HARBINGERS FOR 2019

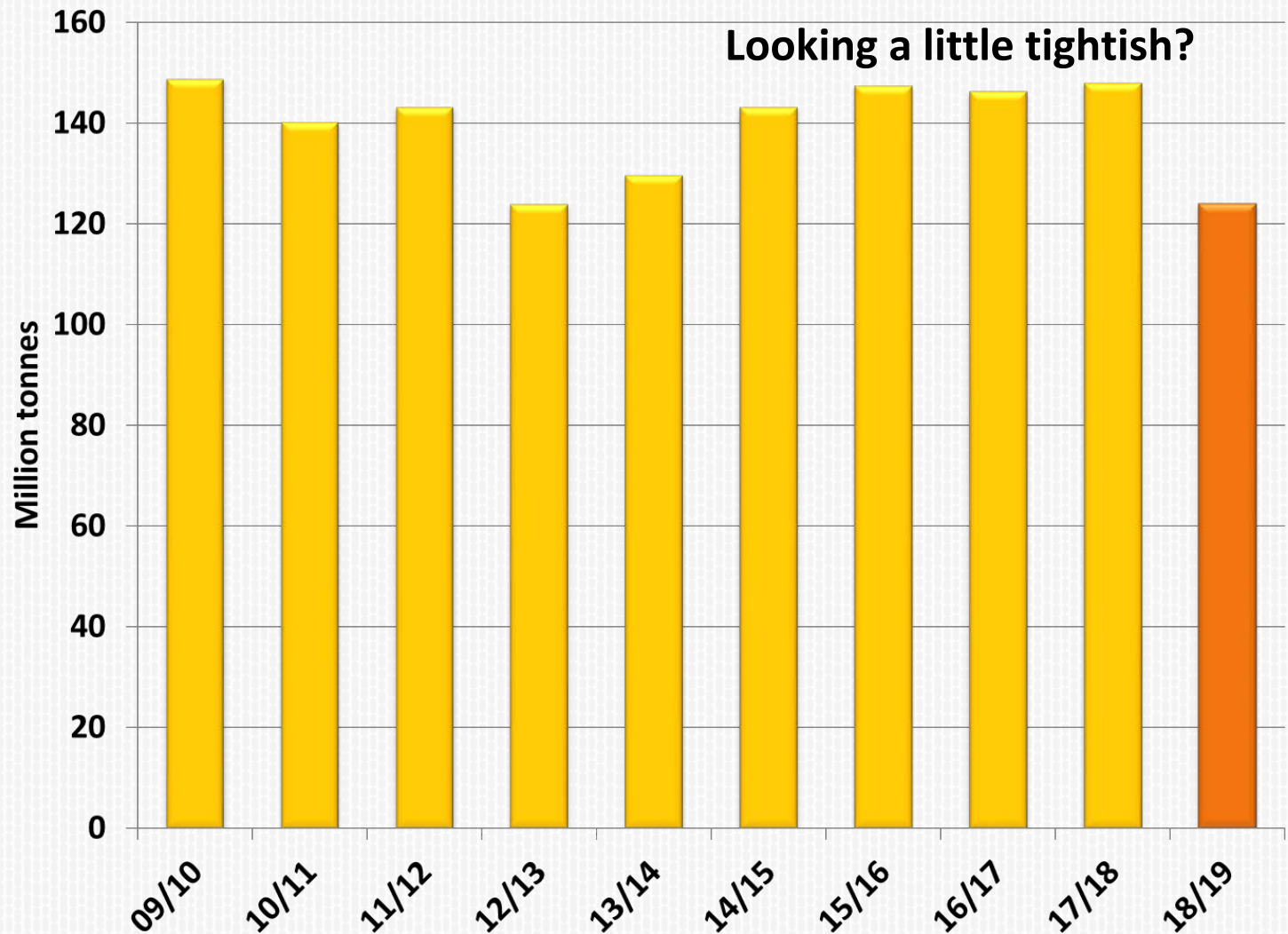
Percent Soil Moisture (WMO)
Dec. 30, 2018



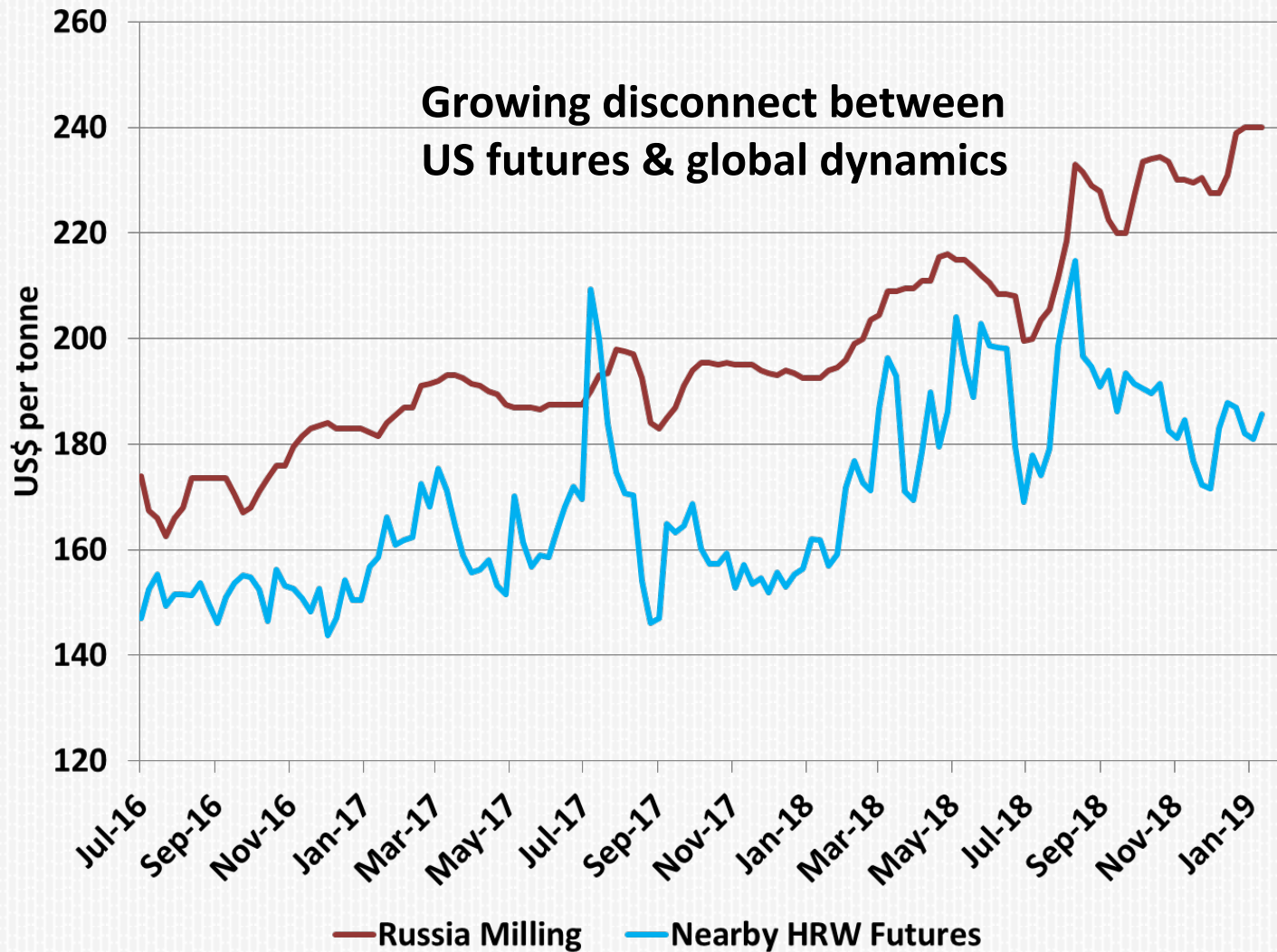
BEARISH SENTIMENT FOR CEREALS



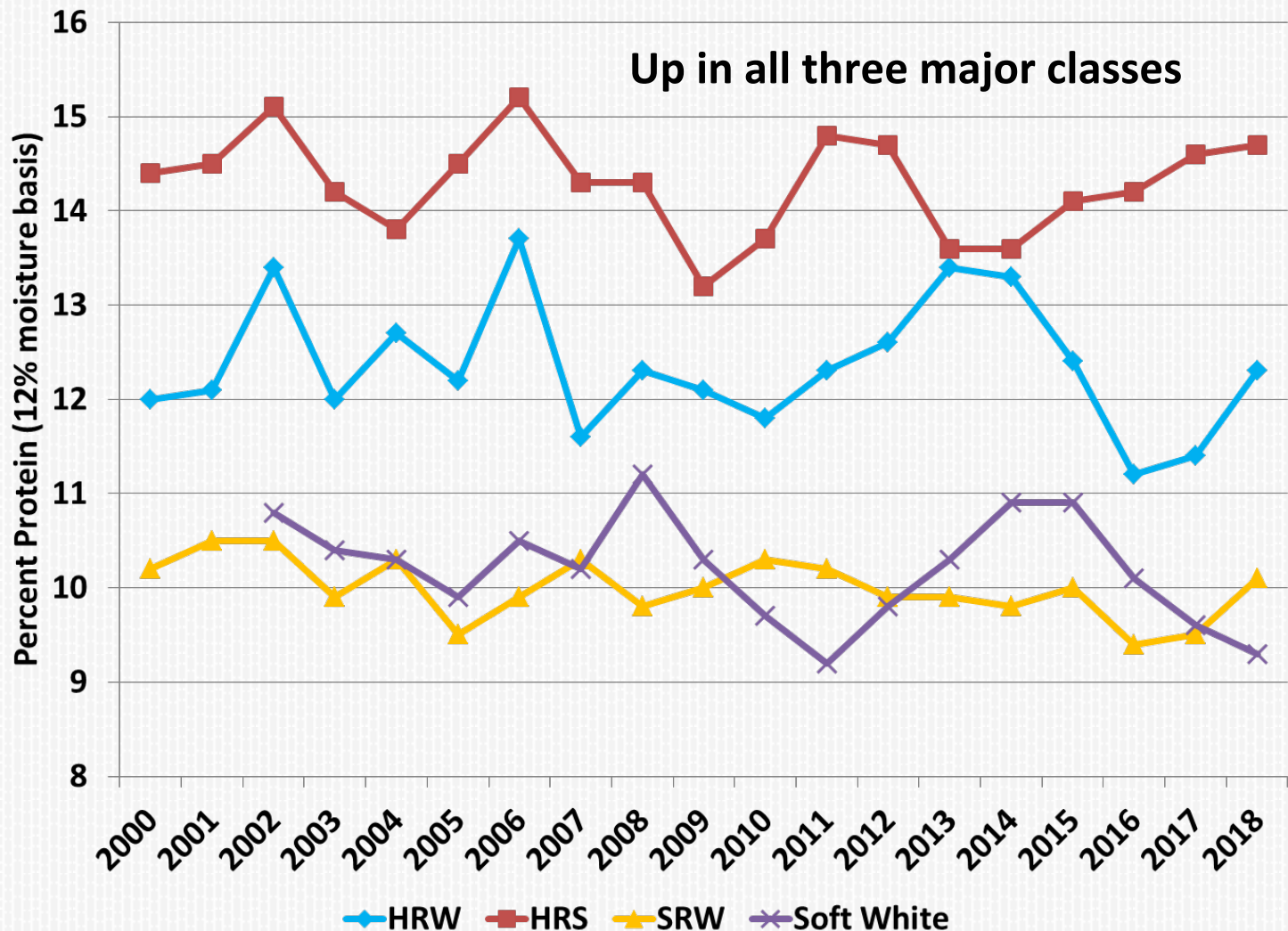
WHEAT ENDING STOCKS EXC CHINA



WHEAT FUTURES & PHYSICAL MARKET



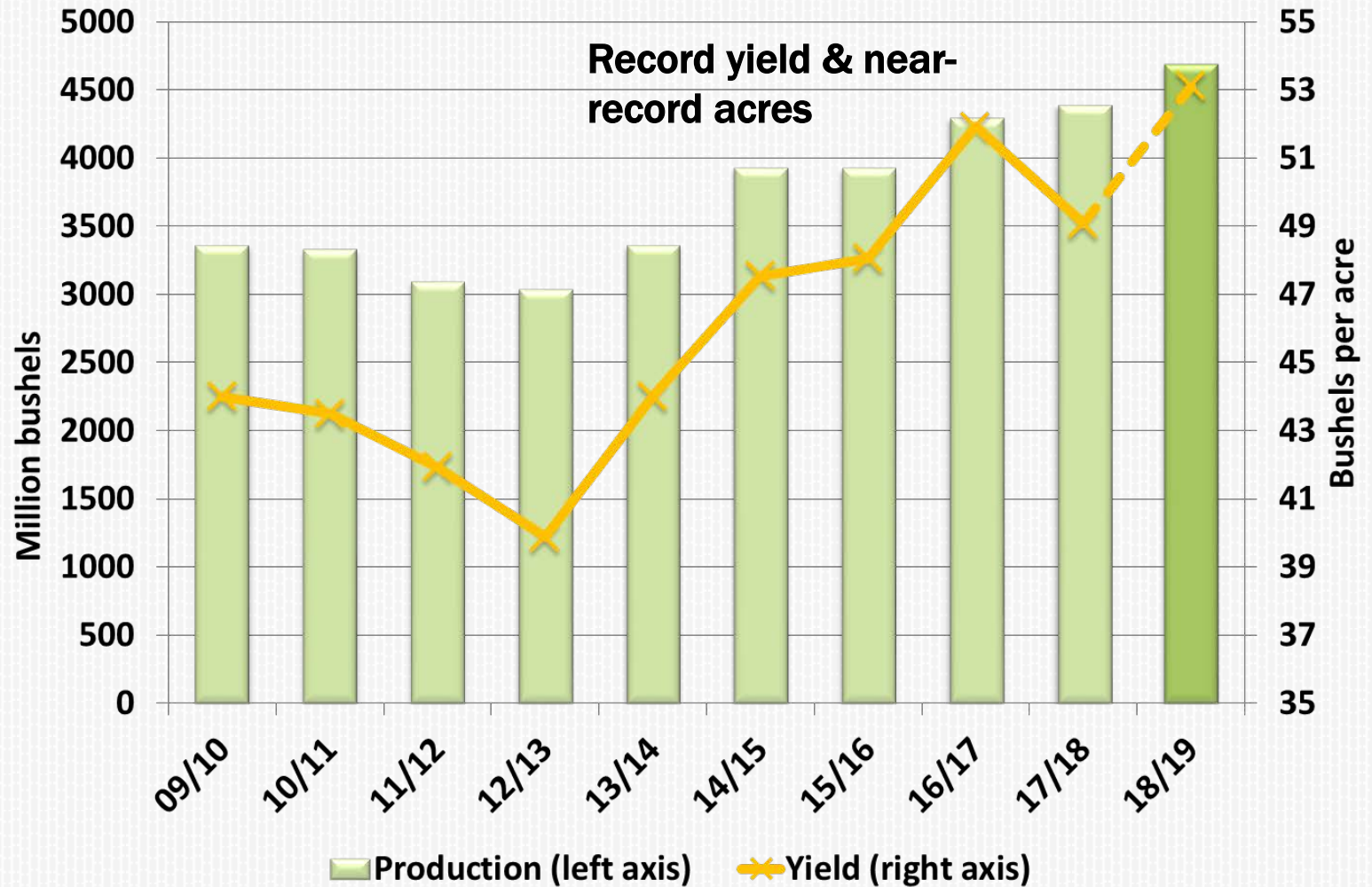
US WHEAT PROTEIN LEVELS



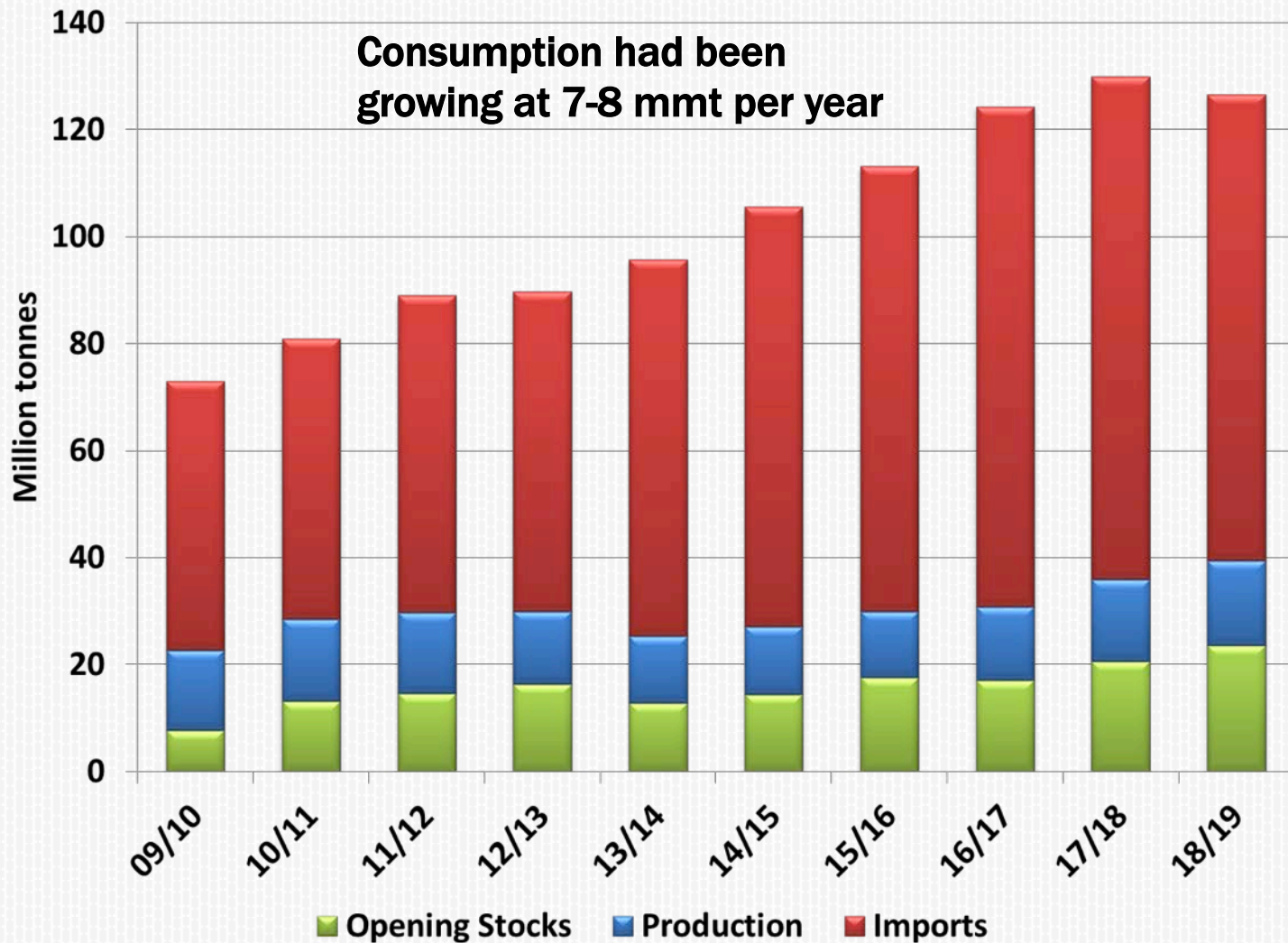
WHEAT MARKET – WHAT TO WATCH

- ✖ High proteins everywhere
- ✖ When will US exports pick up?
- ✖ China uncertainty
- ✖ Prospects for 2019
 - + Black Sea up
 - + EU crop not looking great
 - + US winter wheat acres & conditions
 - + Canadian acreage up

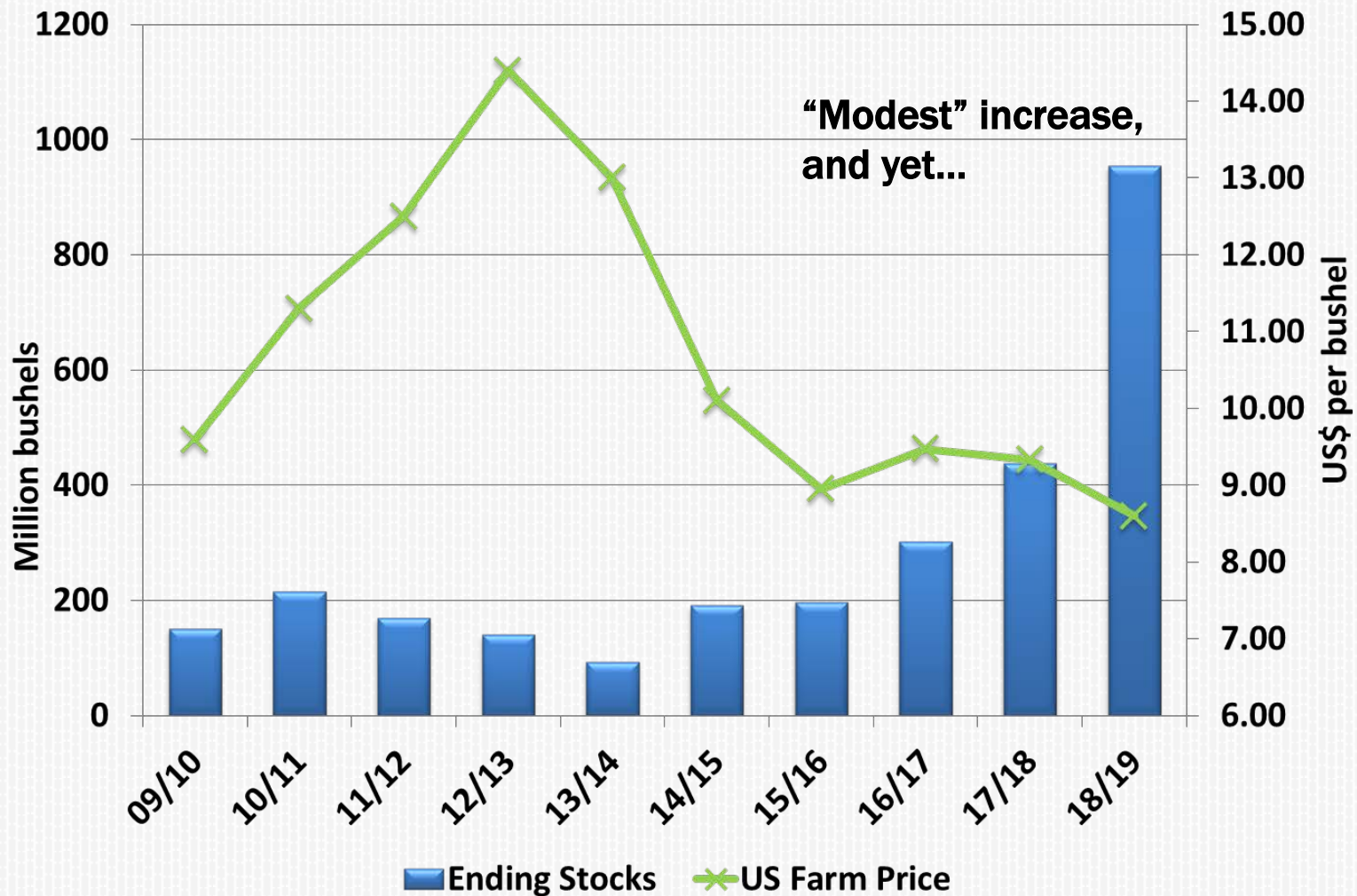
US SOYBEAN PRODUCTION & YIELD



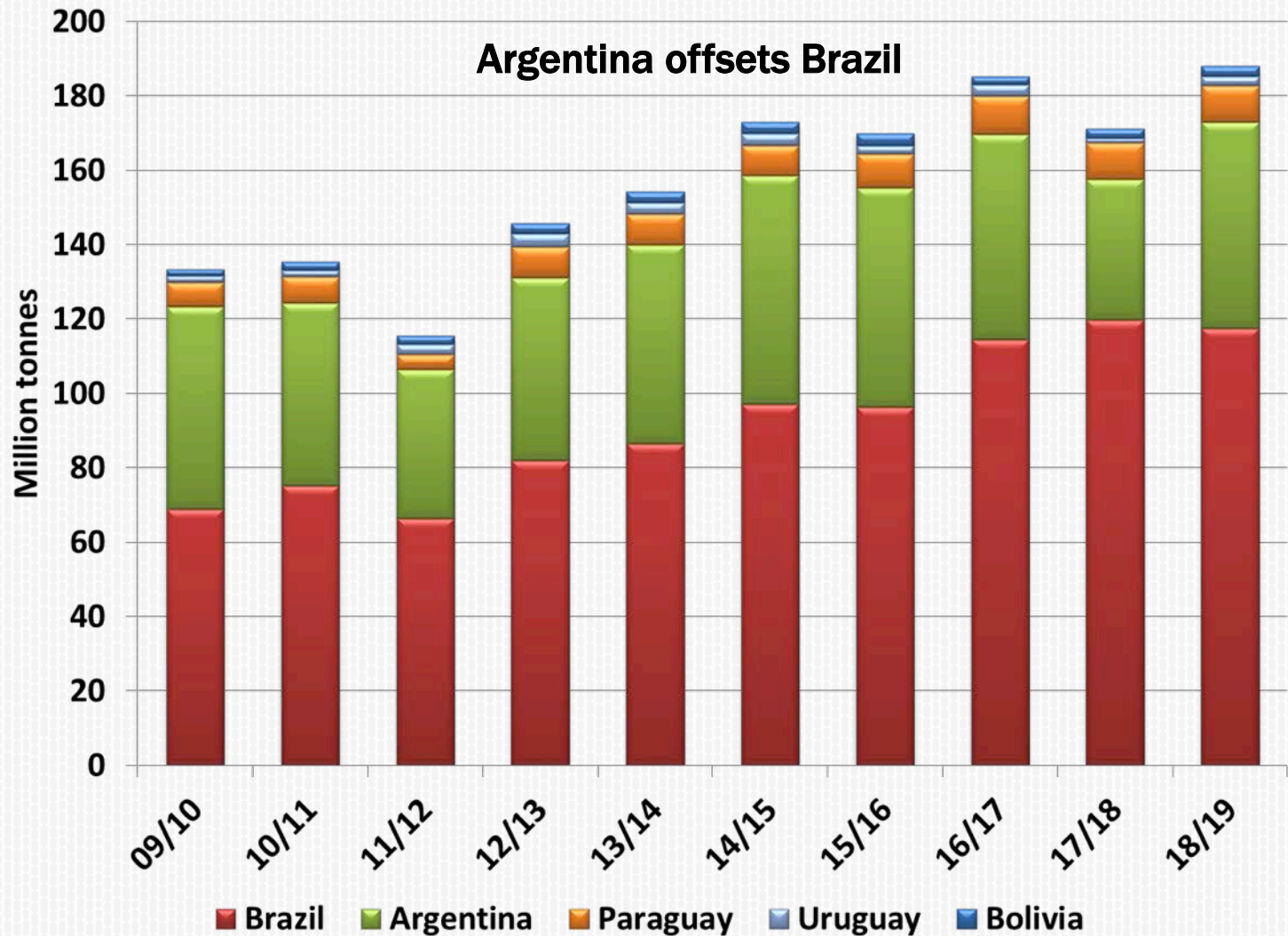
CHINA SOYBEAN SUPPLIES



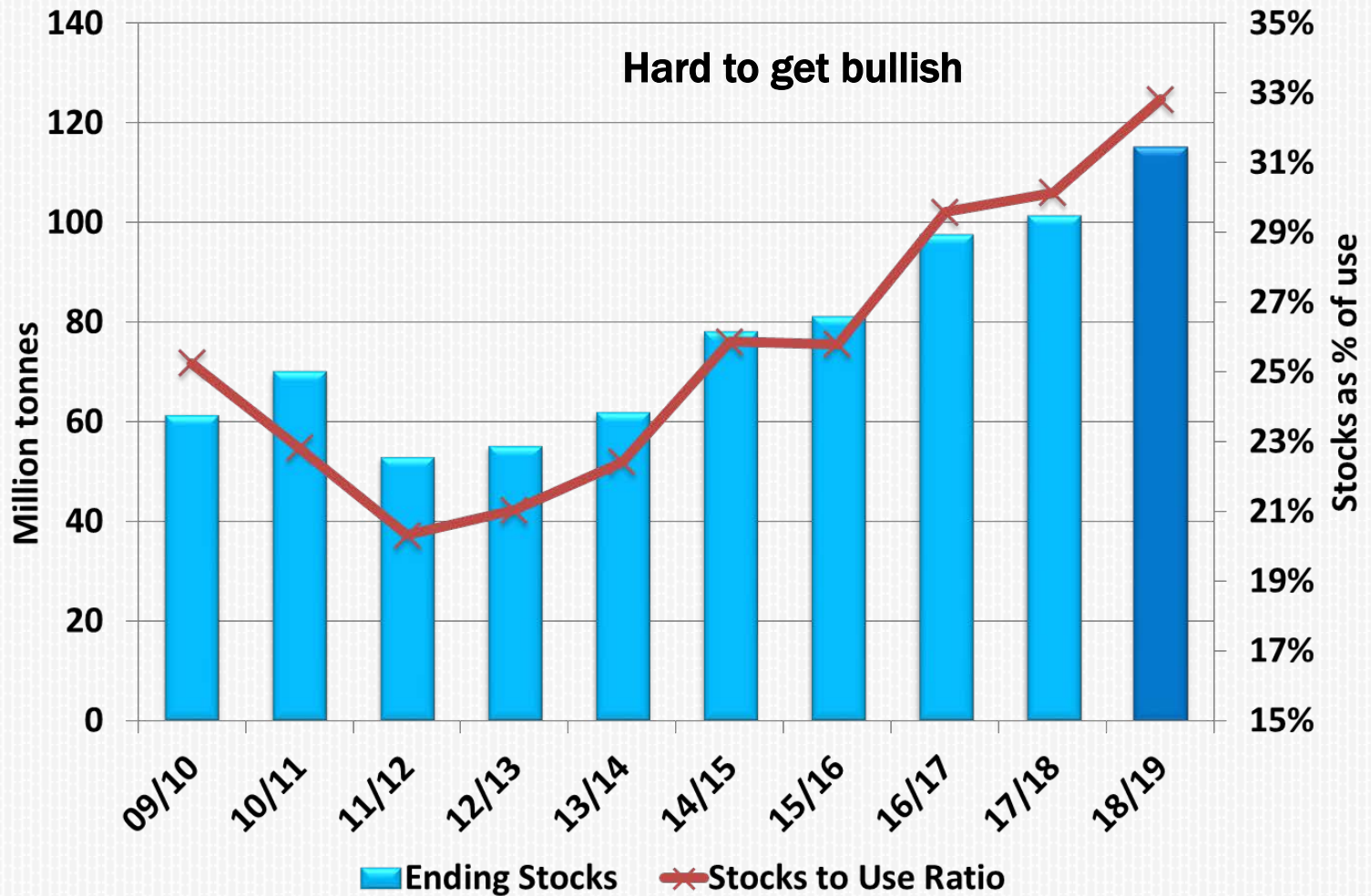
US SOYBEAN ENDING STOCKS



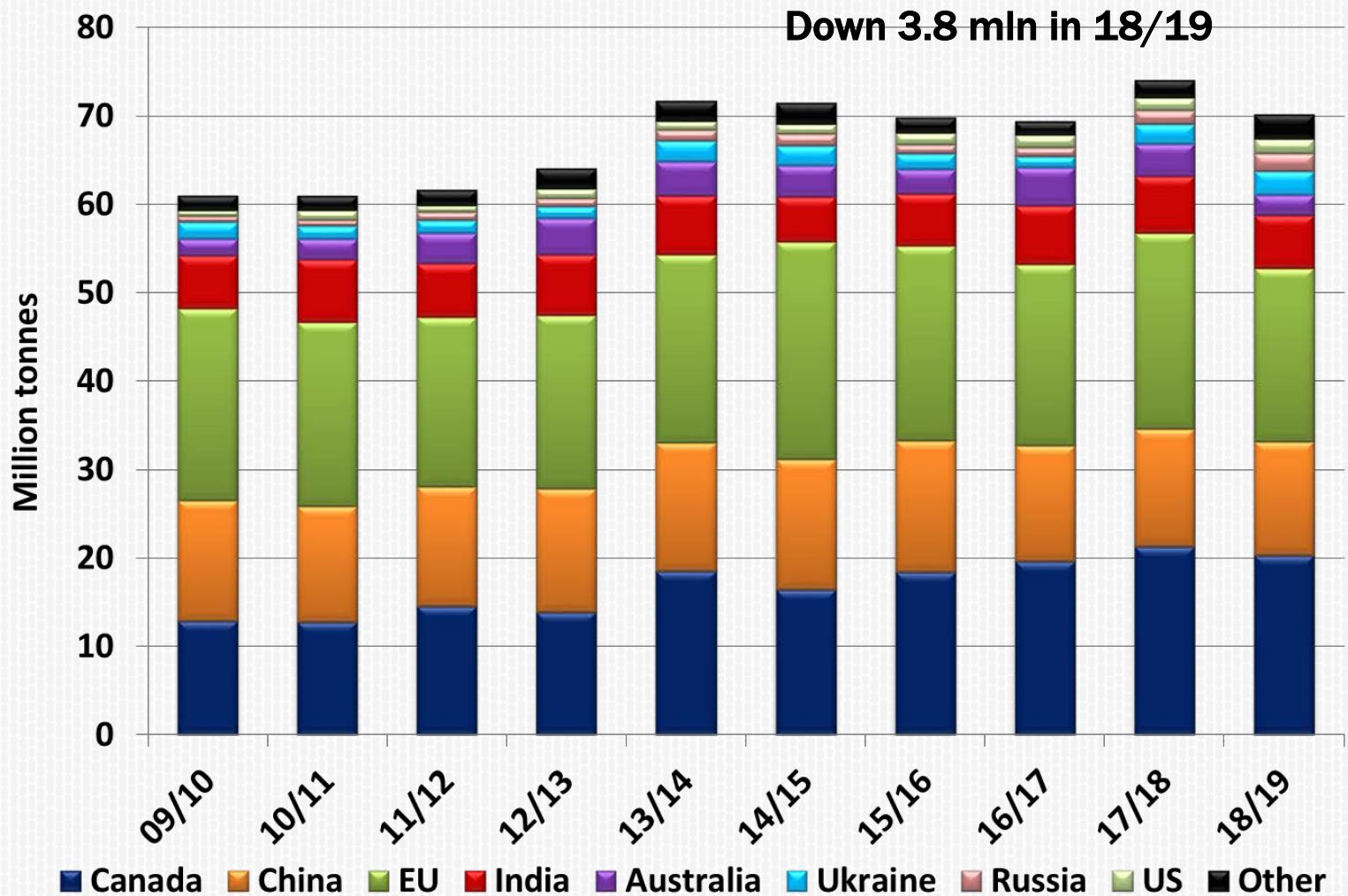
SOUTH AMERICAN SOYBEAN PROD'N



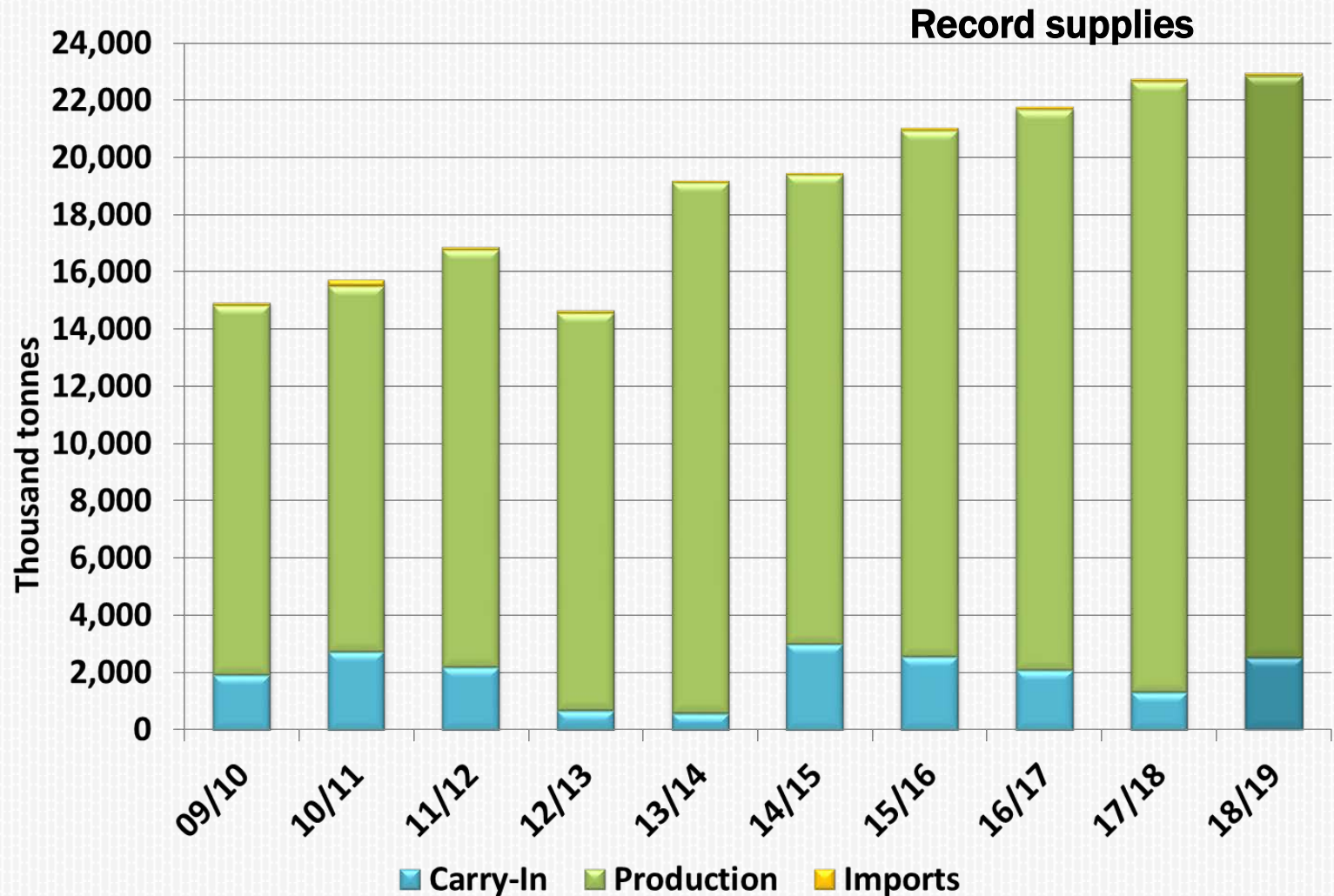
GLOBAL SOYBEAN ENDING STOCKS



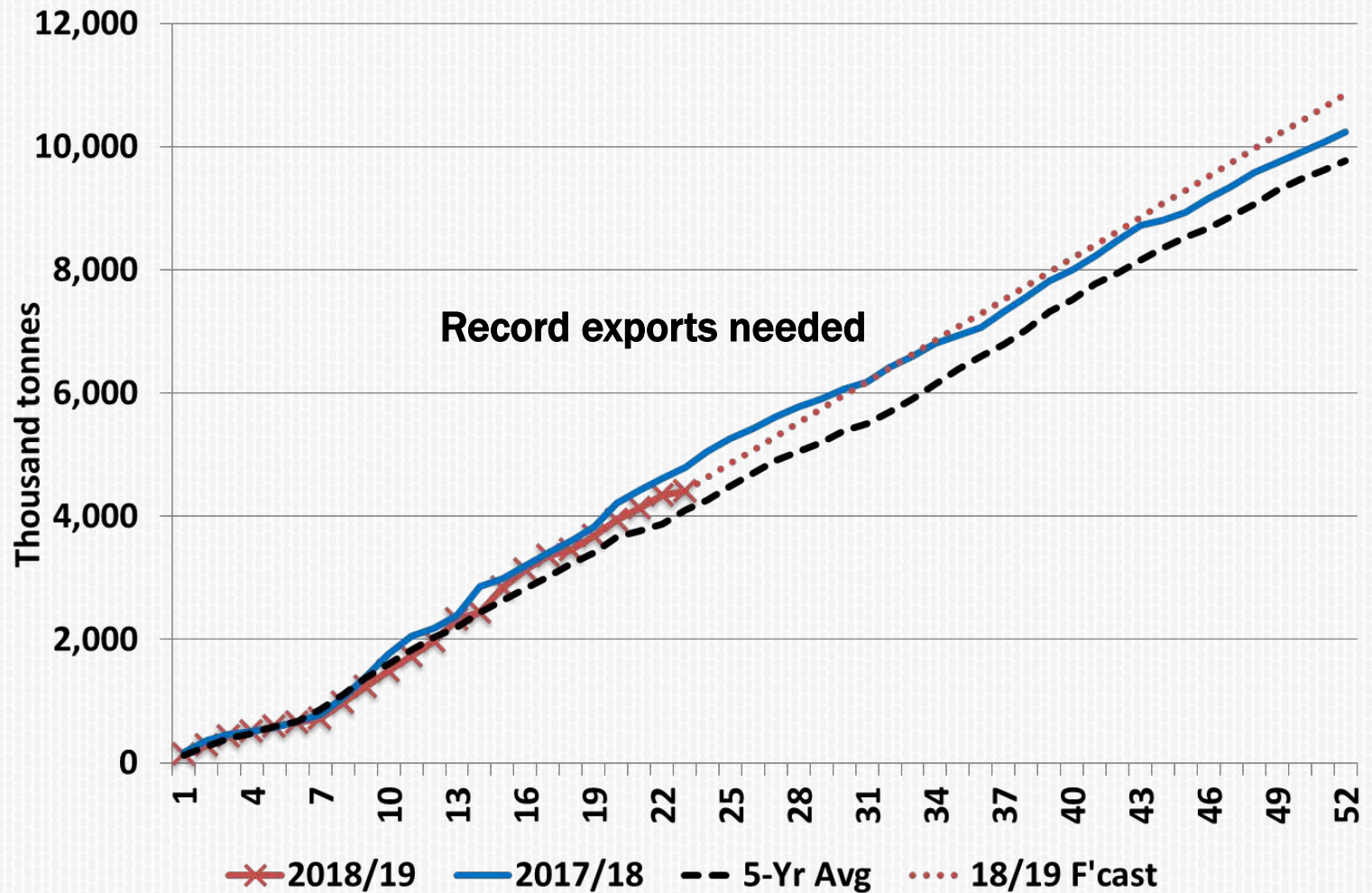
GLOBAL CANOLA/RAPSEED PROD'N



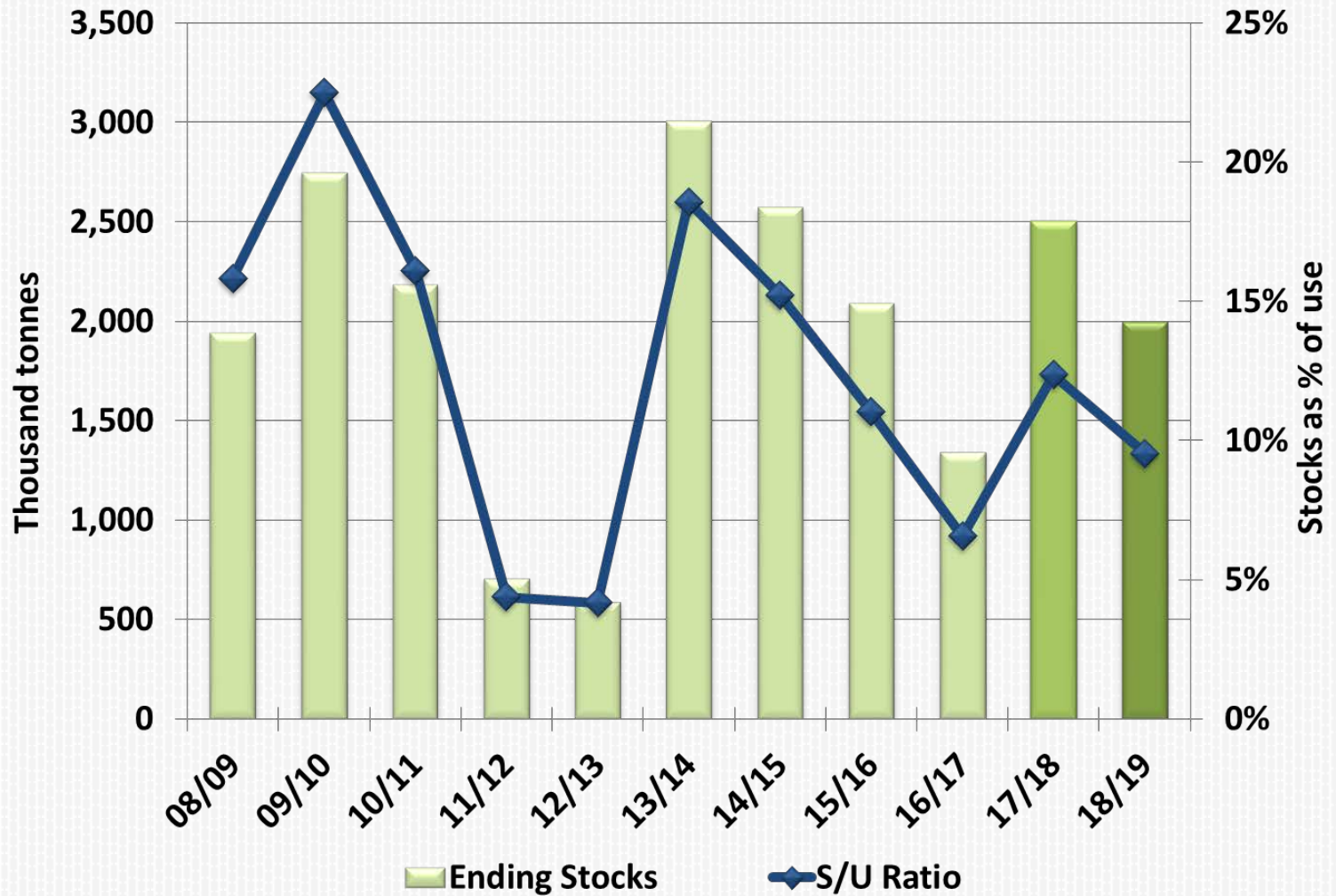
CANADIAN CANOLA SUPPLIES



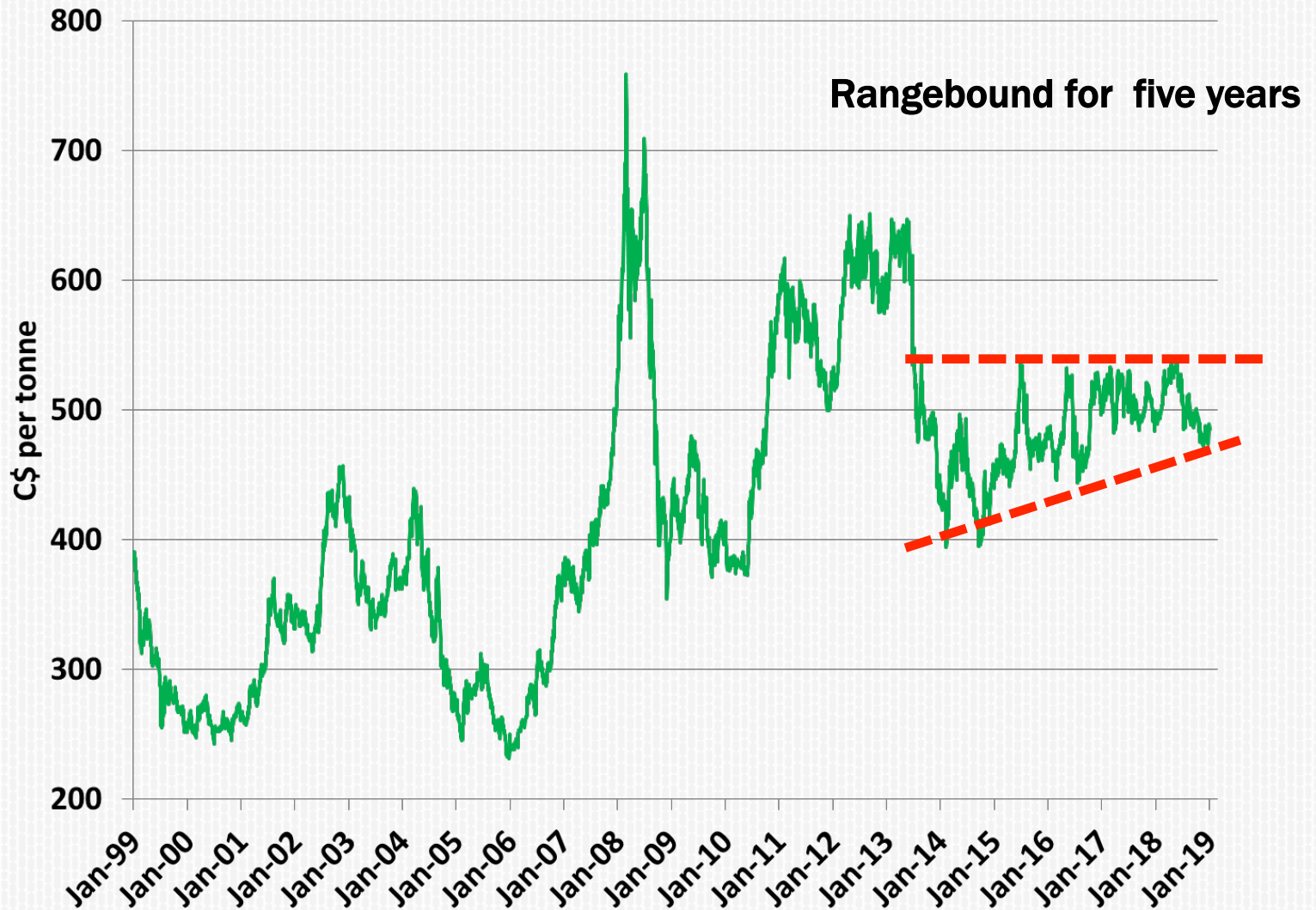
CANADIAN CANOLA EXPORTS



CANOLA ENDING STOCKS



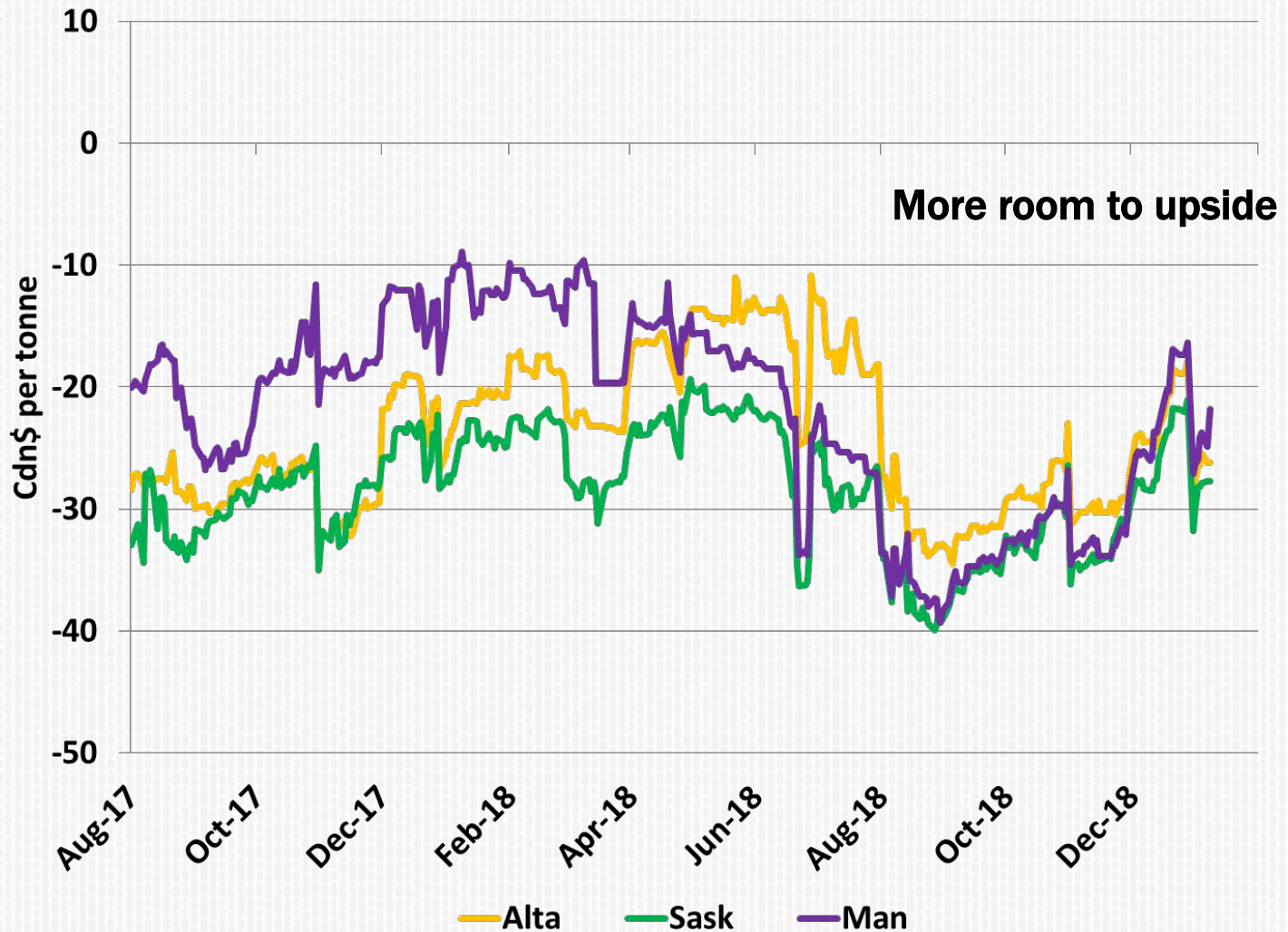
NEARBY CANOLA FUTURES



NEARBY CANOLA FUTURES



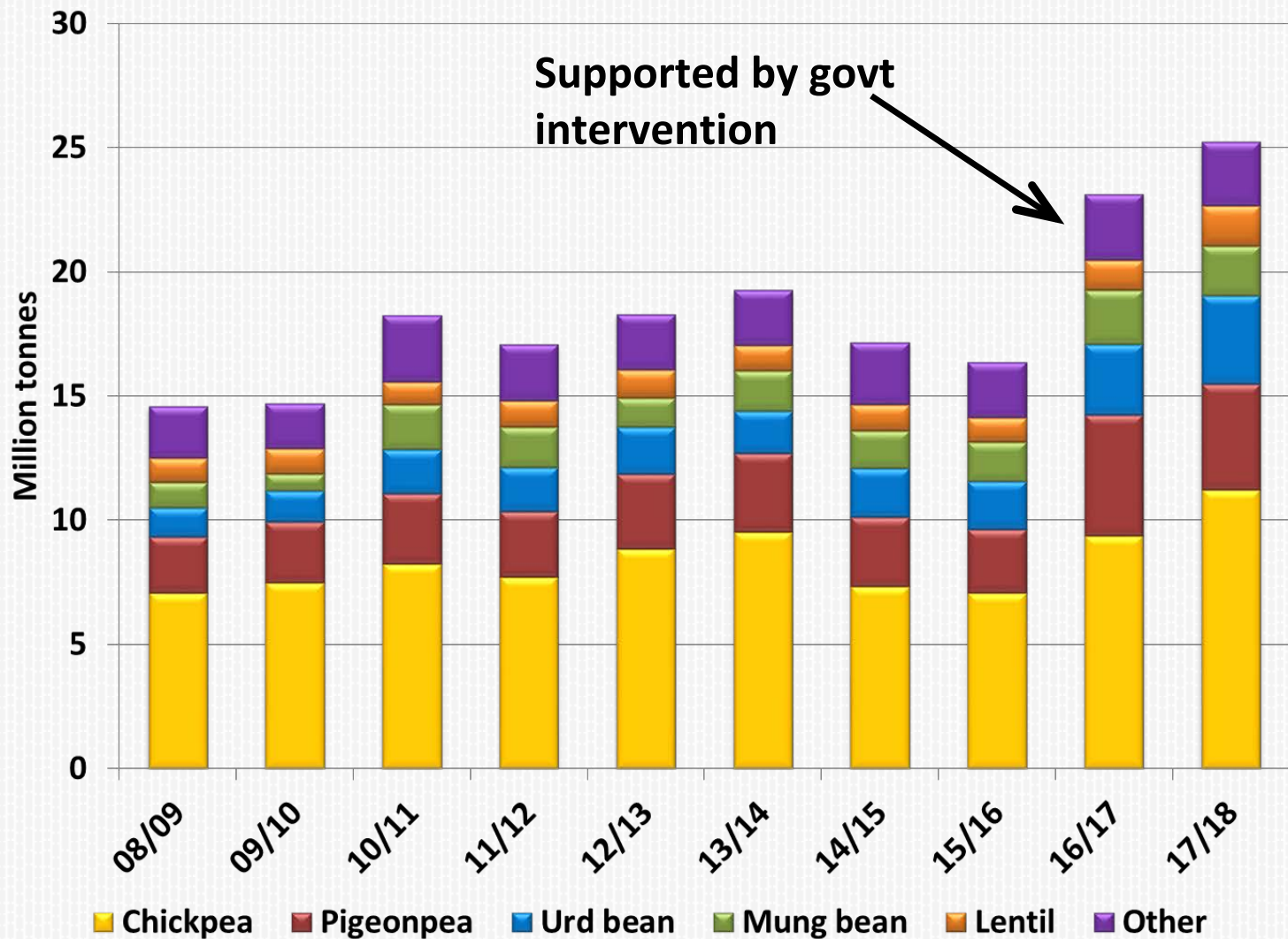
CANADIAN CANOLA BASIS



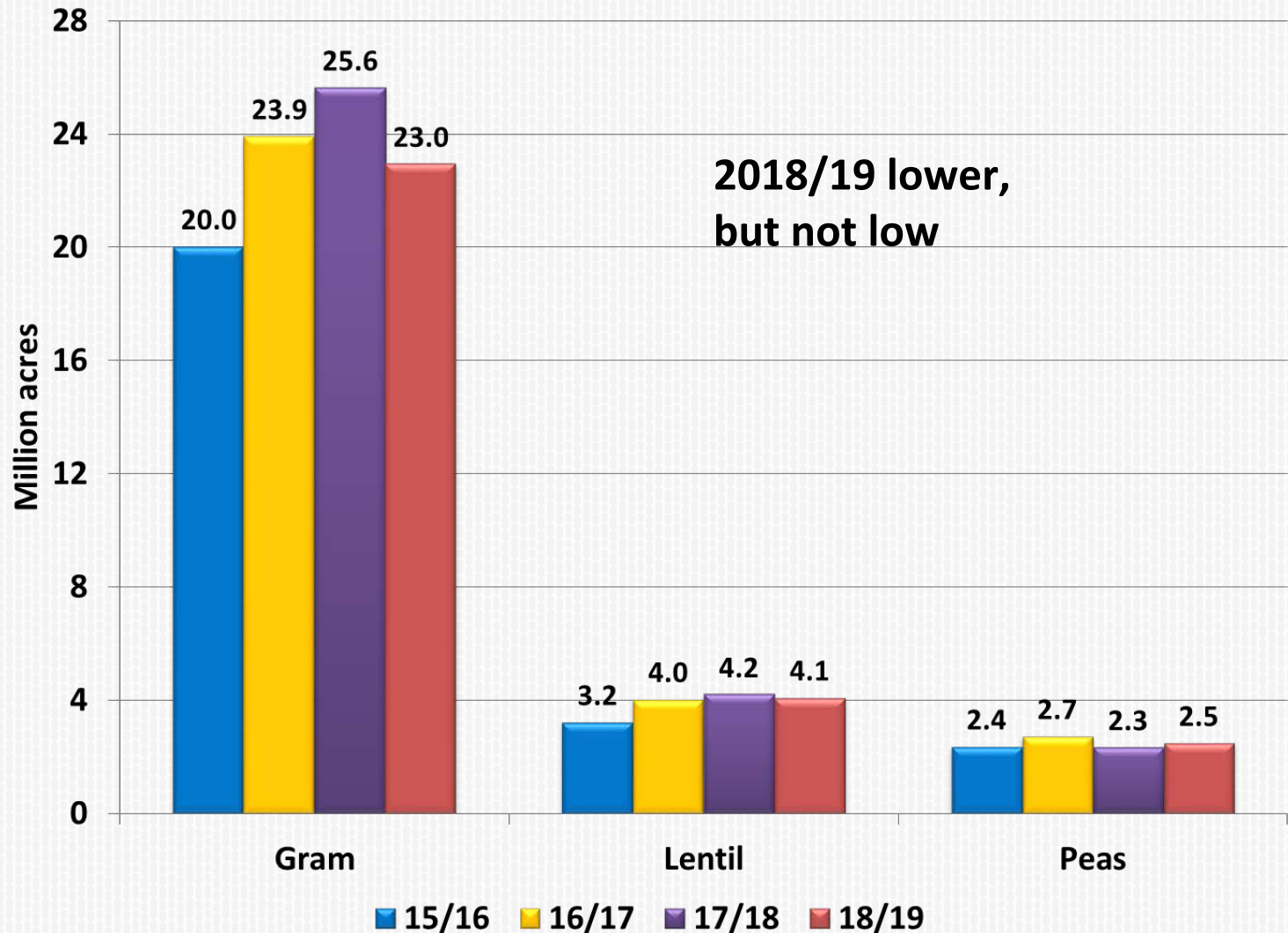
CANOLA MARKET – THINGS TO WATCH

- ✖ Chinese buying underwhelming vs expectations
- ✖ Small EU & Aussie crops
- ✖ Resolution of US/China trade dispute?
- ✖ Reduced 2019 plantings in EU
- ✖ Ukraine 2019 acreage up
- ✖ Minor increase in Canada

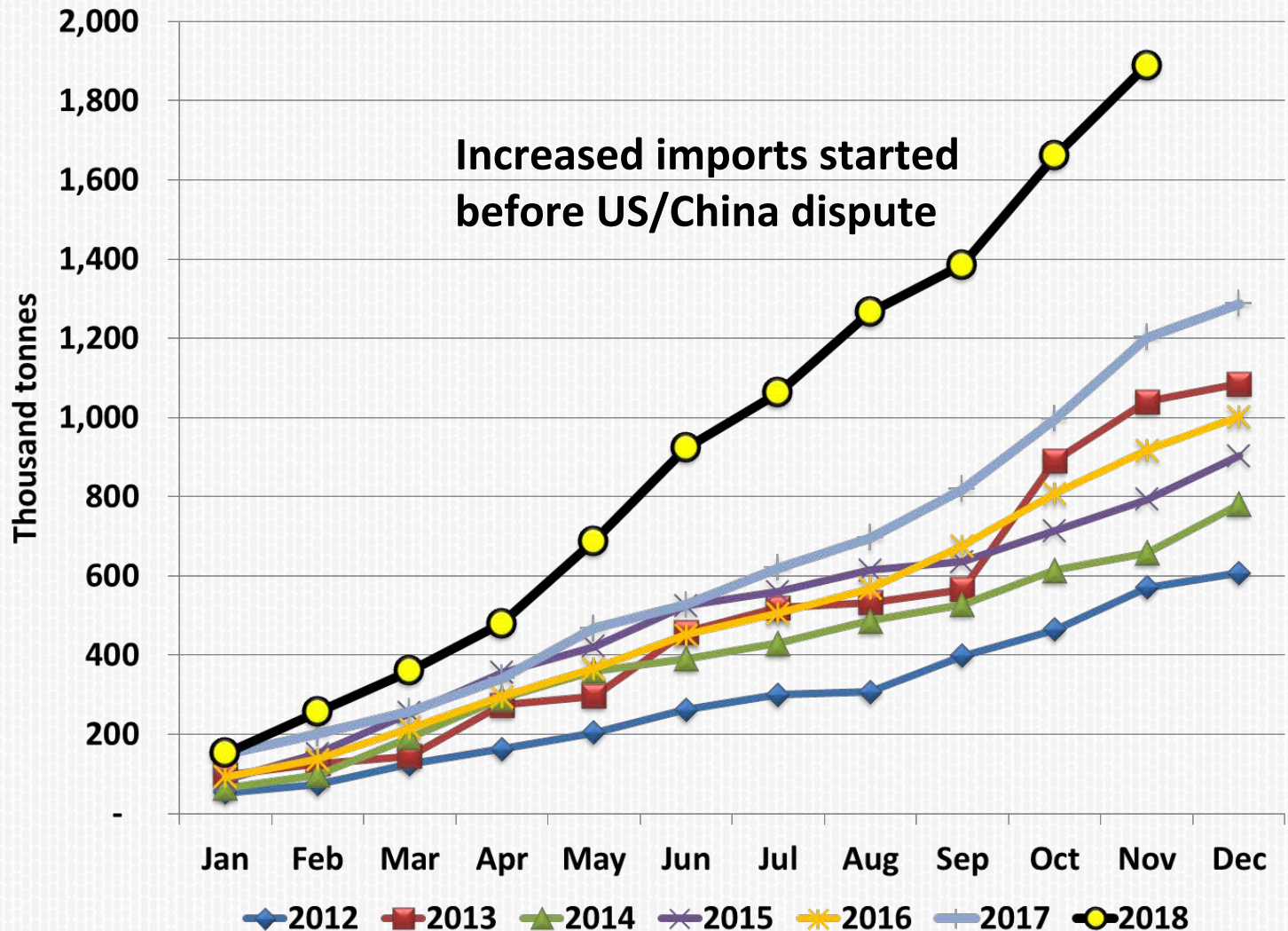
INDIAN PULSE PRODUCTION



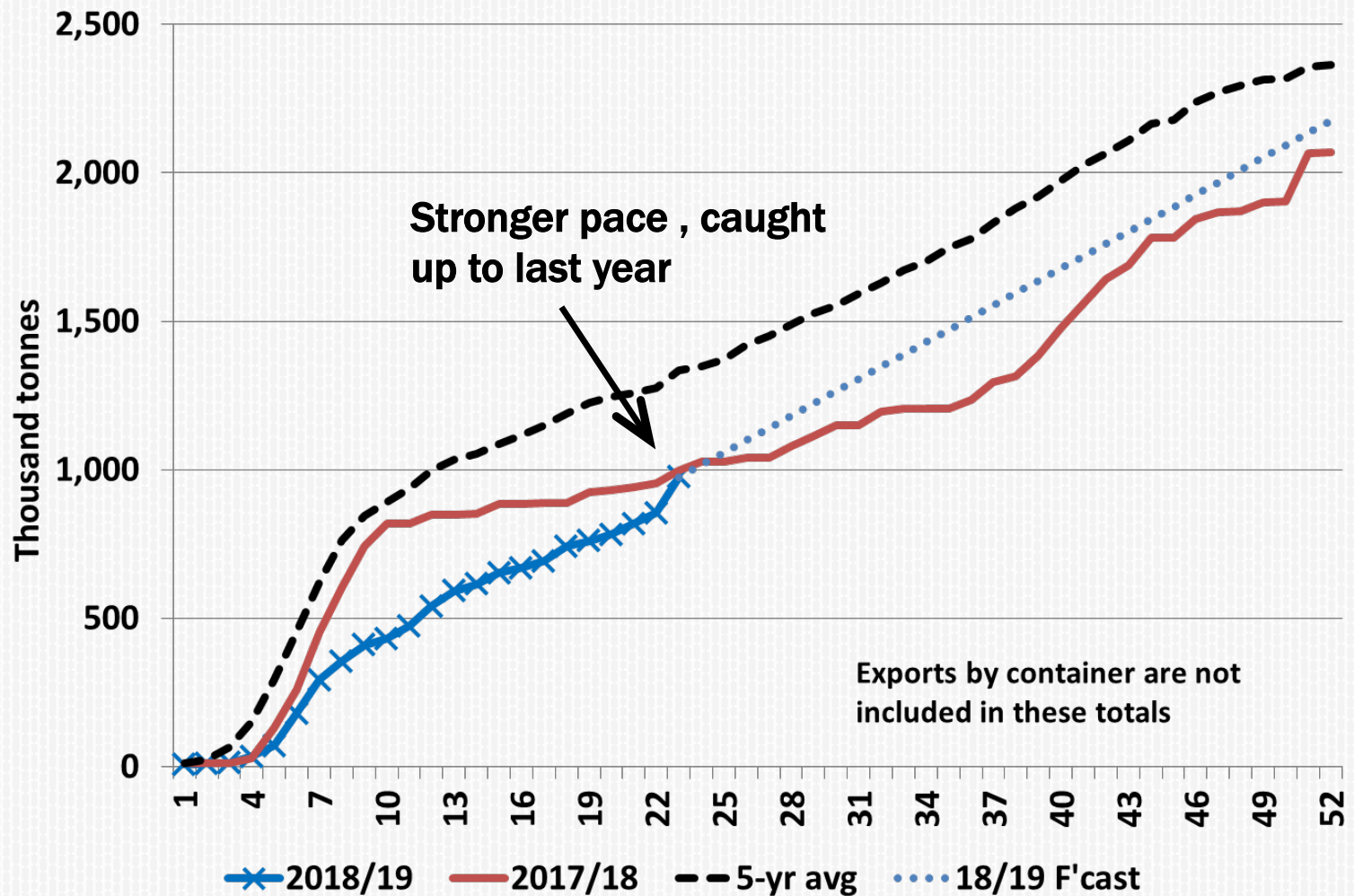
RABI PULSE PLANTINGS (EARLY JAN)



PEA IMPORTS – CHINA



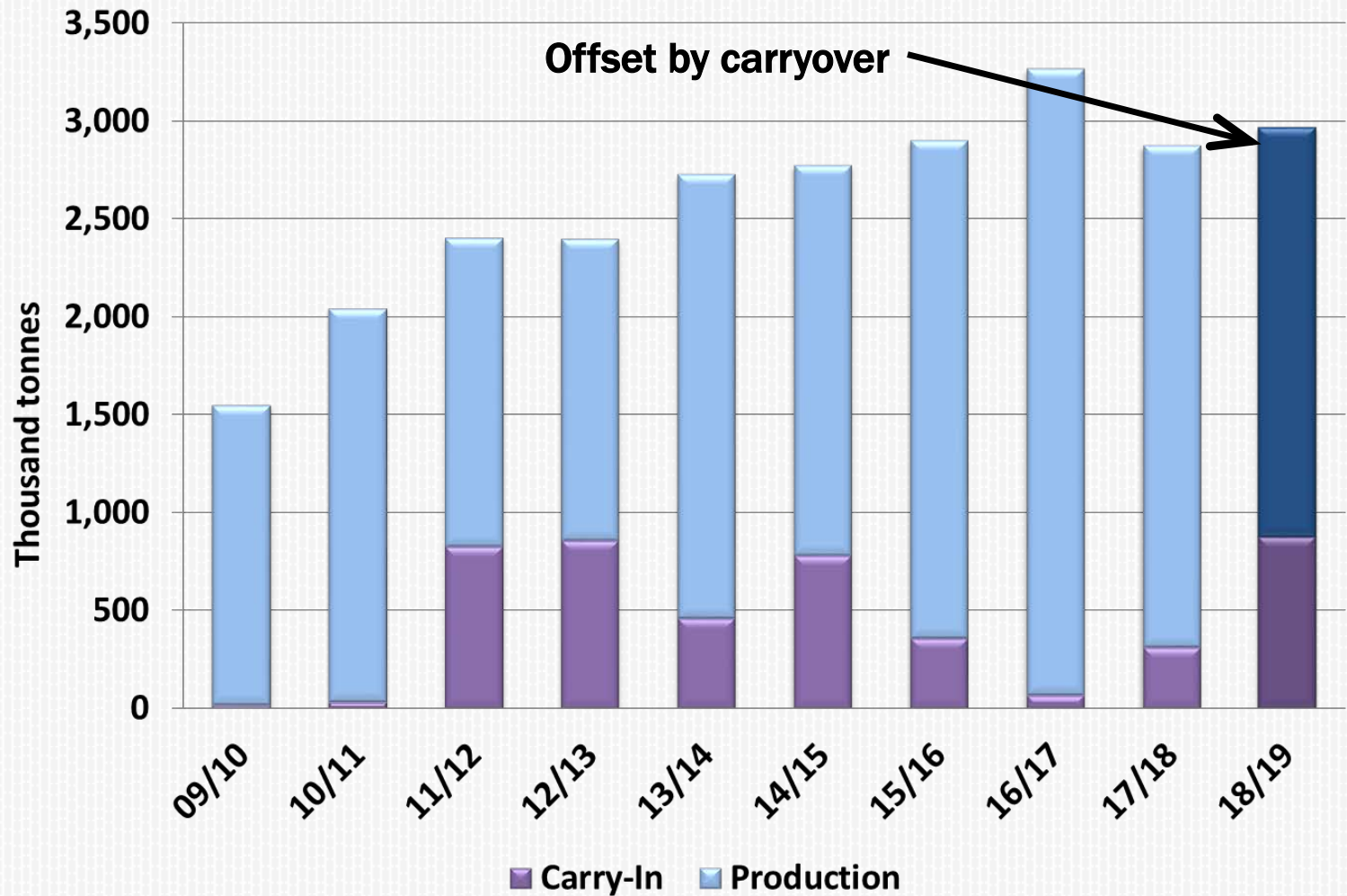
CANADIAN PEA EXPORT PACE



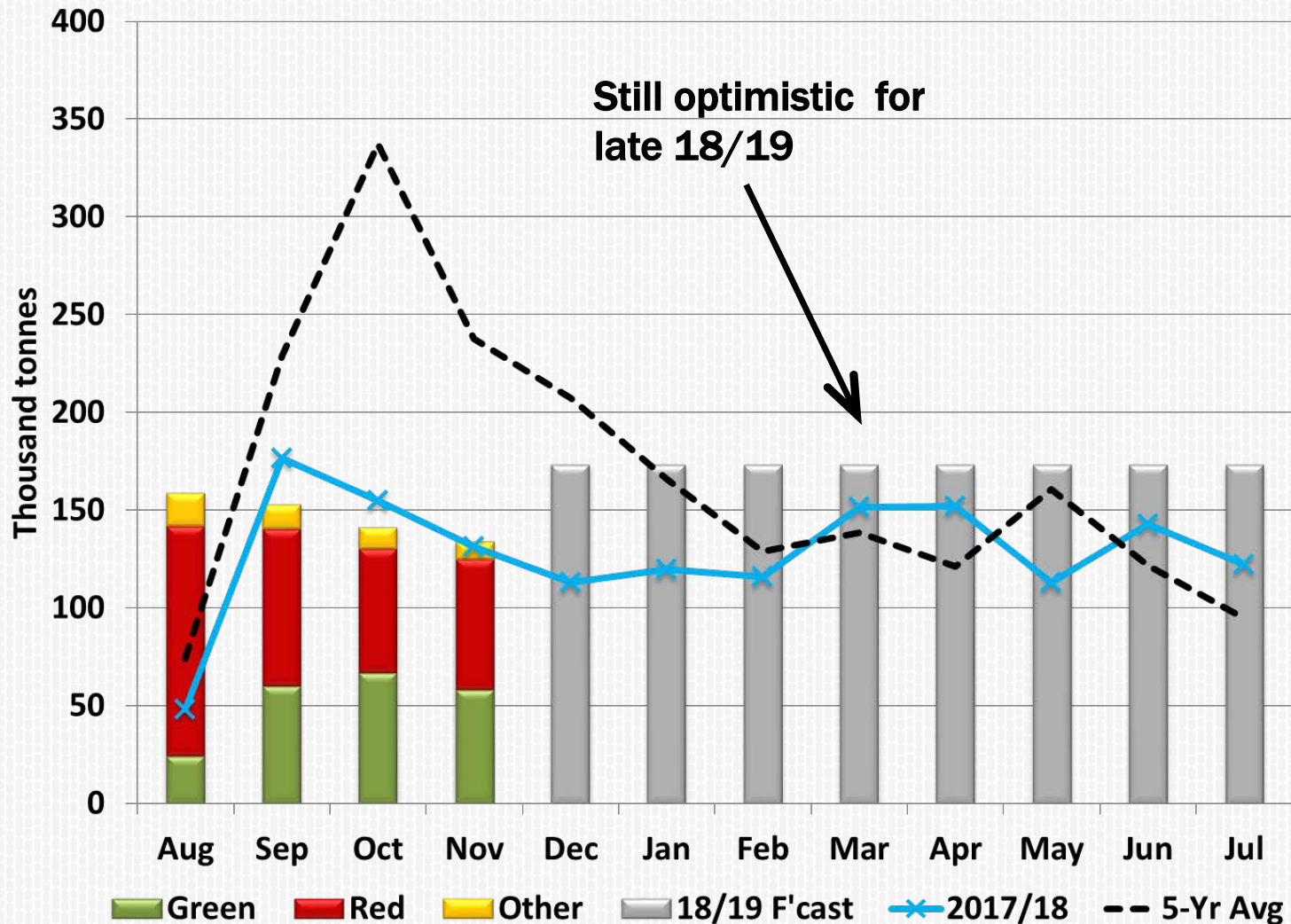
PEA MARKET – WHAT TO WATCH

- ✖ Moderate ending stocks for 18/19
 - + China strong demand, cautious Indian outlook
 - + Firm prices thru end of mkting year
- ✖ For 19/20
 - + Production response in Cda, not as much elsewhere
 - + Still cautious about India, solid interest from China
 - + More domestic processing
 - + Ending stocks low to tight

CANADIAN LENTIL SUPPLIES



2018/19 LENTIL EXPORTS



LENTIL MARKET – WHAT TO WATCH

- ✖ Moving from heavy to comfortable ending stocks for 18/19
 - + Looking for more exports later
 - + Another modest bump in bids
- ✖ For 19/20
 - + Supplies a little lower
 - + More balanced export outlook
 - + Not counting on much more biz from India
 - + Ending stocks to decline further



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THANK YOU!
