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Crop Market Summary

Week ending Jun 11, 2021

Crop and Related Prices, Can or US$/tonne, US$/l ethanol

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	250.13	252.71	184.45
HRW Wheat	Jul	234.43	233.88	164.70
HRS Wheat	Jul	281.00	298.64	188.59
CWRS Wheat	Spot	329.25	330.56	238.36
CPS Wheat	Spot	295.01	284.69	204.22
Corn	Jul	269.47	268.79	129.91
Ethanol	Jul n	64.99	64.99	31.49
Oats	Jul	247.21	255.96	205.55

For price specs. go to: www.open-i.ca/PriceSpec.htm

Data in red are 12-month highs, blue are 12-month lows, green revised

Oilseeds & Other Prices, Can or US$/tonne or index — 11-Jun-21

Commodity	Month	This week	Last week	Year ago
Soybeans	Jul	554.28	581.93	320.13
Soya Meal	Jul	347.71	359.41	262.17
Soya Oil	Jul	1,476.71	1,572.83	606.29
Canola	Jul	865.00	904.40	469.40
Crude Oil(WTI)	Sep	69.91	69.52	36.56
Dollar Index	Sep	90.56	90.14	97.33
S&P 500	cash	4,240	4,229	3,041
SRW Wheat	*Dec*	*254.73*	*257.12*	*189.87*
Corn	*Dec*	*240.05*	*232.86*	*135.03*
Canola	*Nov*	*745.70*	*763.60*	*473.00*

COMMENT: Prices were generally lower this week but new crop prices less so. Weather reports and forecasts continue to be the major influence with some rain events on the Prairies and northern US mid West pressuring prices. Neither the monthly USDA outlook revisions nor weekly US export sales data appeared to have had much impact.

NEWS: This week's **Prairie provincial crop reports** indicate very variable soil moisture conditions – mostly enough for reasonable germination but still most needing better than average rainfall for sustained crop development.

The USDA's estimate of **US winter wheat production,** as of June 1, at 35.6 mmt, was up 2% from the May estimate, up 12 from the estimate for 2020, and close to the average pre report expectations. Average yield was up almost 5 % from 2020 and harvested area up almost 7%.

The USDA's June revisions to its Supply and Demand data included a slightly higher estimate for 2021-22 **US wheat** supplies with an increase in output offsetting slightly lower beginning stocks. Apart from a small increase in feed use the demand side was left unchanged with ending stocks about unchanged and 14% below beginning stocks. The **global wheat** output projection was raised by nearly 1 percent, due mainly to larger crop expectations for the EU, Russia and the Ukraine. Use and ending stocks were raised slightly. Ending stocks are still a bit below the record levels of last year.

Adjustments to its June **US corn** data for 2021-22 were a cut in both beginning and ending stocks of about 1.4 M tonnes with no other revisions. Ending stocks are now forecast 23 percent above beginning stocks, but 29 percent below last year's ending stocks. This month's **global coarse grain outlook** is for slightly lower supply with a small increase in output offset by lower beginning stocks. With use expected to increase ending stocks are expected to be lower but still above last year's level.

This month's USDA 2021-22 outlook for **US soybeans** is for slightly higher beginning and ending stocks than a month ago with no adjustments to output and use. The domestic crush forecast has been lowered. The June revisions to the **global oilseed** forecast for 2021-22 is for slightly higher production and beginning stocks with ending stocks also raised but still below this year's minimal level.

OPINION: With high prices for oilseeds and feed grains, it is worth considering where the threats to these price levels lie. Weather conditions are, of course, foremost. The market almost certainly has written in average yield but weather forecasts beyond a week are probably close to a coin toss.

On the demand side some things are more certain. The USDA lowered current year US domestic soybean crush in the light of higher prices by 15 million bushels which was above trade expectations. But it appeared to have had little market impact. The reality is 15 million bushels is equivalent to 0.17 bushels per acre on the 86.7 million acres currently forecast to be harvested. The range of average US soybean yields over the last five years has been 3.2 bushels per acre almost 20 times this month's use "adjustment".

More worrying must be a Friday wire story that US President Biden is faced with a challenge of conflicting and active lobbying interests of farmers and petroleum refiners on the issue of fuel ethanol blending. More US corn is used for ethanol production than for livestock feed. And political decisions are often difficult to anticipate.

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