open i

Crop Market Summary

Week ending Oct 22, 2021

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

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	277.78	269.88	232.50
HRW Wheat	Dec	284.40	273.28	209.35
HRS Wheat	Dec	373.23	357.61	211.65
CWRS Wheat	Spot	426.21	421.43	256.78
CPS Wheat	Spot	386.97	380.29	234.41
Corn	Dec	211.80	207.37	165.05
Ethanol	**Dec n**	58.30	58.30	39.23
Oats	Dec	432.66	428.12	196.80

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

Oilseeds & Other Prices, Can or US$/tonne or index 22-Oct-21

Commodity	Month	This week	Last week	Year ago
Soybeans	Nov	448.46	447.82	398.21
Soya Meal	Dec	288.02	287.48	350.61
Soya Oil	Dec	1,368.90	1,351.04	752.02
Canola	Nov	934.90	912.60	550.00
Crude Oil(WTI)	Dec	83.60	81.65	39.86
Dollar Index	Dec	93.67	93.99	92.77
S&P 500	cash	4,544	4,469	3,457

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

COMMENT: Wheat prices were again generally higher this week with a number of positive indications of improved demand conditions. In the case of hard red springs and durum reduced supplies resulted in further increases in premiums for these classes. Corn prices benefitted from the stronger wheat market and better than expected weekly export sales and ethanol production data. Vegetable oil prices were less of a supporting factor for the oilseed market this week. But with soybean prices higher for a second week a three-month downward trend may have been broken. Canola prices were firmer despite a stronger Canadian dollar as seasonal harvest pressures have past.

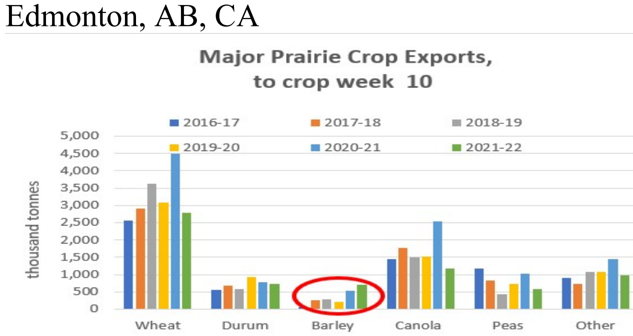
NEWS: **Ag Canada's October revisions to its field crops outlook** were minor. For the 2020-21 crop year they were limited to small adjustments in net trade in corn and soybeans, the crop year for which ends a month later than for the other crops. For the current crop year the revisions were also minor. The most significant was a 500,000 tonne increase in wheat exports. As with the other crops, exports will almost certainly be limited by supplies. End of crop year wheat stocks are projected at well below any post Canadian Wheat Board (CWB) level. Having noted that it is evident that projected end of year wheat stocks are much higher than for any other crop and with fewer and larger country elevators and the ability to adjust prices "on the fly", grain companies may be better equipped to source wheat for export in a tight supply situation than the CWB ever was.

Weekly **Canada Grain Commission** data is beginning to show the impact of short Prairie crop and crop supply situations. Total farmer deliveries are running 20 percent below a year ago. Of the Prairie crops surprisingly only barley deliveries are ahead of year ago levels. Primary elevator stocks are about 12 percent below a year ago with wheat stocks on a par with last year at this time but barley stocks 40 percent lower. Movement from primary and processed elevators of crop and products over the last five weeks are almost 30 percent below a year ago. And finally exports are running 36 percent below a year ago, with again barley the only Prairie crop with exports ahead of last year's pace.

About a third of Ag Can's current barley export projection for the full crop year has already been exported, mainly to China it seems, and a similar amount is in commercial positions and likely committed for export. With barley stocks projected at record low levels and a quality wheat crop, the livestock industry is likely to be very dependent on imports of US corn. This would change if China and Australia, China's alternative source of barley, were to settle their political differences.

OPINION: There is something of a pause on adjustments to any projections on the Canadian supply situation and hence export prospects. This relates to assessing the level of adjustment of Stats Can July pre harvest area survey assessment and its post harvest November survey assessment. Over the last five year in aggregate the harvested crop area was revised in the November estimate down by over two percent in 2016 and up by one percent last year. The adjustments will almost certainly be larger this year. Surely there was an incentive in many areas to cut cereal crops for hay or silage with short regular hay crops. Against this with record grain and oilseed prices the bar for worthwhile combined yield was lower. A further uncertainty is the timing of Stats Can's July survey relative to farmers' decisions to take annual crops as green feed or hay. But the condition of crops was almost certainly the over riding influence suggesting that there will be a downward revision in harvested area and output in December.

David Walker,
Edmonton, AB, CA



open i

Data source: Canada Grain Commission