open i

Crop Market Summary

Week ending Nov 26, 2021

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

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	301.85	302.40	219.18
HRW Wheat	Dec	314.34	306.72	206.32
HRS Wheat	Dec	381.95	371.21	202.37
CWRS Wheat	Spot	470.74	455.13	250.72
CPS Wheat	Spot	436.19	413.99	229.31
Corn	Dec	230.99	224.69	167.51
Ethanol	**Dec n**	58.30	58.30	36.19
Oats	Dec	489.56	495.39	187.07

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

Oilseeds & Other Prices, Can or US$/tonne or index — 26-Nov-21

Commodity	Month	This week	Last week	Year ago
Soybeans	Jan	460.31	464.17	437.90
Soya Meal	Jan	314.56	337.28	359.50
Soya Oil	Jan	1,298.13	1,282.25	838.45
Canola	Jan	1,039.80	1,005.60	583.00
Crude Oil(WTI)	Jan	68.17	76.11	45.52
Dollar Index	Dec	96.10	96.04	91.80
S&P 500	cash	4,595	4,702	3,638

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

COMMENT: Almost all markets took a hit on Friday with the news of the emergence of a new highly transmissible covid variant already detected distant from its South African source. Prior to this and the US Thanksgiving holiday on Thursday prices were generally higher on the week. Wheat prices benefitted from lower US winter wheat crop ratings and concerns about a rain interrupted Australian harvest. Corn and soybeans prices were helped by better than expected US export sales data but continuing reports of favourable early South American crop development weighed.
The continued strength of the US dollar supported Prairie prices for wheat and canola.

NEWS: With no new major reports since its October update, Ag Canada's November Outlook for Principal Field Crops were virtually unchanged, upward revision of several crop prices apart. Forecasts for 2021-22 domestic and export use was reduced slightly as were ending stocks, at 7.4 million tonnes - raised by less than one percentn, 42 percent below beginning stocks and the lowest level in at least 30 years.

Of particular interest was a switch in the estimate of canola use from export to domestic of 500,000 tonnes. In the spring prior to the drought the expectation was for both exports and domestic use to be about 10 million tonnes. Since then with the reduced supply reality, export forecasts have been reduced by 45 percent and domestic use by 15 percent. Much of the domestic use is exported as oil and meal. The implication of this is perhaps that when push comes to shove the Prairie canola crushing industry is competitive internationally.

As for the prices Ag Can's price projections which tend to get less attention than supply and demand projection, average crop year prices for durum, oats, canola, peas and lentils at various locations were all raised. Most of others were raised last month. The oat price was raised by over 25 percent.

The reality is that almost everybody is waiting for the first indicative StatsCan estimate of the 2021 Prairie harvests to be published on December 3. Particular interest will be in implicit crop salvage for green feed or hay prior to conventional harvest. While StatsCan remote sensing-based modeling provides yield estimates, pre harvest crop diversion has been based on average of the last five years. With the drought it has almost certainly been larger. Hence, the production estimates are likely to be reduced.

There were no revisions to 2020-21 estimates either in aggregate or by crop which almost certainly reflect those of StatsCan and are unlikely to change unless StatsCan revises its estimates.

Next month's Ag Can forecasts will include Stats Can's November estimates of production to be published on December 3. These estimates will be the first survey based estimates following two model based estimates, one pre harvest and one mid harvest.

OPINION: The likely impact of the carnage in the Frazer Canyon on full crop year prospects is likely to be limited. With a total crop supply this year based on current harvest estimates of about 80 million tonnes, about 16 million have already been shipped and typically about 30 million are consumed on farm or outside CGC licensed facilities. Allowing for a minimal level of country elevator stocks of 2.5 million tonnes suggests about 25 million tonnes will be available for shipping over the balance of the crop year compared to shipments of about 45 million tonnes last year over this period.

There will almost certainly be challenges in meeting commitments to some customers and rescheduling others. And it will likely be a record year for Prince Rupert!

David Walker,
Edmonton, AB, CA