Crop Market Summary

Week ending June 24, 2022

Crop and Related Prices, Can or US$/tonne				
Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	339.42	378.56	234.06
HRW Wheat	Jul	364.68	406.02	220.56
HRS Wheat	Jul	392.98	429.81	297.99
CWRS Wheat	Spot	483.35	532.75	344.37
CPS Wheat	Spot	456.14	504.39	293.20
Corn	Jul	295.36	308.84	250.58
Oats	Jul	387.11	430.88	244.78

Oilseeds & Other Prices, Can or US$/tonne or index				24-Jun-21
Commodity	Month	This week	Last week	Year ago
Soybeans	Jul	591.85	625.38	488.60
Soya Meal	Jul	392.57	397.42	314.96
Soya Oil	Jul	1,537.78	1,626.85	1,316.43
Canola	Jul	882.50	1,050.00	782.30
Crude Oil(WTI)	Sep	104.19	109.03	73.33
Dollar Index	Sep	103.97	104.40	91.84
S&P 500	cash	3,900	3,686	4,081
Canola	*Nov*	*870.20*	*970.20*	*739.50*
SRW Wheat	*Dec*	*349.89*	*389.95*	*238.10*
Corn	*Dec*	*265.34*	*287.78*	*204.42*

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

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

COMMENT: The collapse in almost all commodity prices this week was attributed to a decline in economic prospects resulting from rising interest rates amongst other things. Further there were few reports of weather threatening crop development. Weekly export sales data were positive for wheat and corn but not for soybeans. Very heavy canola futures trade suggests very substantial speculative liquidation.

NEWS: **Prairie provincial crop** reports indicate crop conditions improve as you head west.

For **MB,** as of June 21 – Hot weather has followed seeding which was generally delayed over two weeks due to excessively wet field conditions.

For **SK,** as of June 20 – Crops are generally at or behind normal development with oilseeds in particular lagging. Cropland topsoil moisture was rated as 75 per cent adequate, up 10 percentage points from last week and well above last year's 56 percent.

For **AB**, as of June 21 –With prevailing wet weather, the prolonged 2021 dry conditions are ending. Crop conditions are rated as 78 percent good or excellent, up from 75 last week and close to a 5-year average of 79 percent. Surface soil moisture is rated 77 percent good and excellent, up from last week's 74 and above a five-year average of 70.

With no recent crop related Stats Can survey reports, changes to **Ag Canada's June Outlook for Principal Field Crops** were limited to revisions arising from ongoing trade data and changed expectations for domestic use and leads provided by the USDA and International Grains Council.

For 2021-22 crop year data revisions appear to relate to domestic feed requirements to replace western barley previously exported. Domestic feed use of wheat was raised 0.5 million tonnes and exports reduced by a like amount to leave ending stocks unchanged. Corn import from the US were increased by 0.4 million tonnes and export forecasts for barley were reduced by 0.1 million tonnes allowing for a small increase in domestic feed use.

For the 2022-23 crop year the only material revision was a yield related increase in production forecast. The increase is expected to be used mainly for feed with the ending stock projection unchanged.

In aggregate, revisions for 2021-22 suggest a continued very tight supply situation with the ending stock revised up just one percent. For 2022-23 the ending stock projection is unchanged and the lowest since 2013, this year excepted.

USDA crop progress reports indicate, that in contrast to last year when spring wheat ratings were falling, conditions are close to five-year averages. As of June 19, spring wheat, corn and soybean crop ratings were 59, 70 and 68 good or excellent, up 5, down 2 and down 2 percentage points on the week, and compared to five-year averages of 58, 67 and 64 percent respectively.

Stats Canada publishes its first estimate of areas seeded to Canadian crops next week, we believe, while the USDA publishes a similar report and a crop stocks report on Thursday.

OPINION: Price action this week was brutal as farm commodities generally lost between five and ten percent of their value. At play were the prospect of improved weather for crop development on the supply side and anticipation for declining economic conditions on the demand side. That there was a very sharp increase in the volume of canola futures trade suggests a degree of panic. If experience is any guide, the current slide in prices is likely to be followed rather immediately by some recovery.

David Walker, Edmonton, AB, CA