Crop Market Summary

Week ending July 22, 2022

Crop and Related Prices, Can or US$/tonne

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	278.89	285.41	254.45
HRW Wheat	Sep	301.30	307.73	234.79
HRS Wheat	Sep	320.04	333.18	330.33
CWRS Wheat	Spot	420.93	410.63	379.94
CPS Wheat	Spot	376.99	380.57	312.62
Corn	Sep	222.13	237.88	218.89
Oats	Sep	293.25	301.35	285.14

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

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

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

Commodity	Month	This week	Last week	Year ago
Soybeans	Sep	487.78	499.53	534.53
Soya Meal	Sep	362.23	366.67	329.30
Soya Oil	Sep	1,297.03	1,303.42	1,471.86
Canola	Nov	802.40	843.40	917.50
Crude Oil(WTI)	Sep	94.83	94.69	71.38
Dollar Index	Sep	106.63	107.76	92.68
S&P 500	cash	3,948	3,858	4,335
SRW Wheat	*Dec*	*285.68*	*291.75*	*257.12*
Corn	*Dec*	*222.13*	*237.68*	*217.31*

COMMENT: Wheat price gains made earlier in the week were wiped out on Friday by news that the Ukraine and Russia had signed separate agreements with Turkey and the United Nations allowing for grain shipping on the Black Sea. Corn and soybean prices were pressured by the more conventional factors of improved weather for crop development.

NEWS: Ag Can's July Market Outlook for Field Crops adjustments to 2021-22 forecasts generally related to a few minor revisions to export expectations for durum, wheat, and particularly peas. These had a minimal impact to the very tight supply situations resulting from the 2021 drought. The total all crop ending stocks forecast was raised three percent, but still 38 percent below beginning stocks and well below anything recorded in over thirty years.

The 2022-23 outlook took account of Stats Can's June 2022 seeded area estimates. Supply was raised by a little over one percent probably reflecting a small switch towards higher yielding crops. This resulted in most of the 8 percent increase in the ending stock forecast which stand 36 percent above beginning stocks. Even with the recovery in production, the supply situation is still relatively tight with ending stocks forecast to be lowest since 2014, this year aside.

As adjustments in June crop area estimates from the April Intentions were not great, so the supply situation and outlooks for individual crops were relatively minor. The further reduction in barley area and resulting supply is expected to result in a feed use four percent below the June forecast but 24 precent above feed use this year. The lower area and supplies for peas is forecast to result in reduced exports but for lentils and durum in a cut in ending stocks.

For wheat the area-related increase in supply plus lower feed use is forecast to result in increased exports but also a higher ending stocks which in the context of recent years might be considered at a normal level. The increase in area of canola is expected to allow for small increases in both domestic use and exports partly at the expense of a reduction in ending stocks from last month's expectations.

For MB, as of July 19: Crops reported threatened by hot, humid weather.

For SK, as of July 18: With hot, humid conditions, cropland topsoil moisture is rated 63 percent adequate compared to 8 percent last year, and a 58 percent four-year average.

For AB, as of July 19: No crop report scheduled.

While the condition of US corn and soybean crops are reported to have slipped over the last month they are only slightly below five-year averages. In contrast the condition of US spring wheat crop has improved over this period is well above a year ago and a five-year average of conditions. All three crops lag average crop progress. This may have more serious consequences for their response to possible adverse summer weather than to fall frosts.

As of July 17 the USDA reports rated **US corn, soybeans and spring wheat** in 64, 60 and 71 percent good/excellent condition compared to 65, 69 and 11 percent last year and 5-year averages of 65, 62 and 53 percent. Excellent and good ratings for corn, soybeans and spring wheat were respectively unchanged, down 1 and up 1 percentage points from a week earlier. For corn, 52 percent of reports indicated silking had been or was in progress compared to a 48 percent 5-year average. For soybeans 14 percent of reports indicated pod setting had begun with a 5-year average of 19. For spring wheat 68 percent of the crops was heading compared toa five-year average of 90 percent.

OPINION: Of note, current wheat prices are at or below levels in February prior to the Russian invasion of the Ukraine. Of interest, how this week's headline event impacts further on prices as supplies of Ukrainian grain find their way out

David Walker, Edmonton, AB, CA