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Crop Market Summary

Week ending Dec 23, 2022

Grain Prices, Can or US$/tonne

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	285.13	276.87	299.37
HRW Wheat	Mar	321.14	310.12	300.11
HRS Wheat	Mar	341.99	334.19	379.38
CWRS Wheat	Spot	439.46	438.30	n/a
CPS Wheat	Spot	416.03	415.34	n/a
Corn	Mar	259.44	257.07	238.47
Oats	Mar	235.64	221.11	458.43

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

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

Oilseeds & Other Prices, Can or US$/tonne or index 23-Dec-22

Commodity	Month	This week	Last week	Year ago
Soybeans	Jan	543.44	543.81	489.43
Soya Meal	Jan	413.03	420.01	368.39
Soya Oil	Jan	1,453.56	1,396.90	1,222.29
Canola	Jan	868.70	863.30	1,009.70
Crude Oil(WTI)	Mar	76.69	74.33	73.40
Dollar Index	Mar	104.09	104.33	95.99
S&P 500	cash	3,836	3,852	4,704
SRW Wheat	*Dec*	*295.61*	*287.52*	*296.43*
Corn	*Dec*	*236.90*	*235.22*	*217.11*
Canola	*Nov*	*829.60*	*814.30*	*765.30*

COMMENT: Wheat prices continued an upward trend supported by the potential for winter kill of US winter wheat from frigid weather in the US Mid and reports that the Ukrainian winter wheat crop would be only half of the 2022 crop.

Both oilseed and feed grain markets were under the influence of South American weather developments with dry and hot conditions in Argentina a particular concern. USDA corn export data for a change exceeded trade expectations. Soybean prices were buoyed by stronger soy oil prices which were in turn cited as benefitting from expectation for favourable biodiesel use mandates. Canola prices were also supported by the higher vegetable oil component.

NEWS: On a crop-by-crop basis last Friday's **Ag Canada's December** revisions to its Canadian crop supply and use forecasts was a rather mixed bag.

Certainly, harvested area for almost all Prairie crops was raised from the July estimate, reflecting no doubt favourable harvest weather and market prices discouraging the abandonment of marginal crops. Grain yields were generally revised higher, while other crops lower. The supposition here is that grain crops were generally made when the favourable harvest weather become a factor, while crops such as canola which would normally continuing flowering closed down. And perhaps the eye-in-the-sky on which the September estimate was largely based did not pick up on this.

With upward revision of supplies of most crops, ending stocks were raised as domestic and export use were not expected to absorb the increases.

There were two major exceptions to this. For wheat, excluding durum, exports were revised higher, prompted by better-than-expected wheat exports for at least the moment. This resulted in a lower ending stock forecast. The quality of recent wheat crops is no doubt a factor.

For canola use data was reduced by more than the cut in supply resulting in an increase in ending stocks. A number of reasons were suggested by AgCan for this, but the one most directly impacting on canola is competition from a much improved Australian canola harvest.

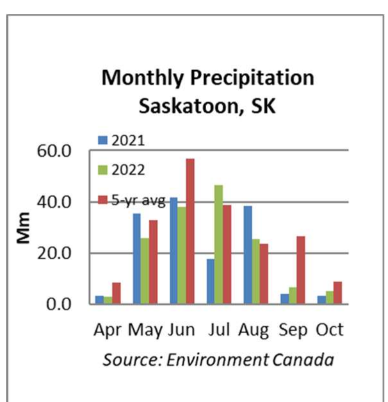
The barley data also looks to be a bit of a standout. A good year for exports probably reflects the good germination quality of the 2022 harvest. But one might have expected that, with the significant cut in corn imports, any increase in barley output to be reflected in a fuller recovery of barley feeding rather than an addition to ending stocks.

OPINION: Reviewing the year's weather concisely is a challenge. Environment Canada does a good job of recording and publishing weather data from a large number of locations. What it does not do, probably astutely, is aggregate that data on provincial or regional basis as the manner this might be done would be too political. And, of course, selecting a single point does not work well in a year such as 2022. Saskatoon is selected as it is central, recording is reliable, and the location is not unduly urbanized.

To the east any hangover from the drought was washed away early in the growing season. To a lesser degree the same was true to the west. Central Saskatchewan was less fortunate. The kind of rain needed to fully relieve the effect of the 2021 drought did not arrive until July, too late and too little. As a result, recovery in yields was not a great as it was elsewhere.

Wishing everybody the best at Christmas and a best 2023.

David Walker, Edmonton, AB, CA



Source: Environment Canada