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Crop Market Summary

Week ending Nov 03, 2023

Grain Prices, Can or US$/tonne				
Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	210.36	211.46	311.50
HRW Wheat	Dec	236.45	236.26	350.26
HRS Wheat	Dec	264.28	264.65	350.63
CWRS Wheat	Spot	346.66	350.46	441.63
CPS Wheat	Spot	308.88	303.49	426.08
Corn	Dec	187.88	189.26	268.10
Oats	Dec	244.45	260.83	253.37

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

Oilseeds & Other Prices, Can or US$/tonne or index				3-Nov-23
Commodity	Month	This week	Last week	Year ago
Soybeans	Jan	496.69	476.66	544.64
Soya Meal	Jan	392.07	401.42	374.47
Soya Oil	Jan	1,084.71	1,152.40	1,650.22
Canola	Jan	692.30	678.70	911.00
Crude Oil(WTI)	Dec	80.24	85.68	92.18
Dollar Index	Dec	104.90	106.39	111.08
S&P 500	cash	4,368	4,126	3,740

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

COMMENT: Early in the week wheat prices drifted lower, but with a softer US dollar prices were perceived to be more competitive internationally even though weekly export data was disappointing. Quality challenges with the Chinese crop have been cited. Corn prices were lower earlier in the week with disappointing export sales data but price were higher on Friday in line with an advance in soybean prices.

For soybeans higher prices on Friday more than offset losses earlier in the week. A weaker US dollar and positive export sales data were supportive. Canola prices were about unchanged having been both higher and lower earlier. Solid end user demand and a lack of much farmer selling was cited as supportive.

NEWS: **Canadian Grain Commission** data suggests the surge in harvest marketing has receded. Primary elevator stocks doubled from a tight level of less than 2.0 million tonnes in mid August to a peak of 4.3 million tonnes in late September to 3.6 million tonnes in late October.

Wheat stocks which usually represents about a third of primary stock were the main contributor to this swing. But canola stocks tripled between late August and early October but have now declined by about 25 percent.

These swings are the result of generally low supply of most crops prior to harvest and resulting pent up demand from regular customers. The exception to this is oats. With abundant supplies before harvest, primary elevator stocks have in contrast declined since.

Movement of crops and products from primary and process elevators have averaged 1.3 million tonnes15 percent below the same period last year. Farmer deliveries were down 19 percent and exports down 12 percent.

The first USDA assessment of the **2024 US winter wheat crop** confirmed that it was in close to normal condition. The crop was rated in 47 percent good to excellent condition as of October 29 on a nation-wide basis slightly above a five-year average of 45 percent and well above the 27 percent of a year ago, when the less than ideal condition was recognized. Average pre-report expectation was for 47 percent suggesting that the rating was anticipated again this year. The crop was 84 percent planted compared to a 85 percent five-year average and 64 percent emerged compared to a five-year average of 64. Again suggesting normal development.

OPINION: Longer term wheat prices peaked quite sharply in both 2007 and 2022. The former was a result of a tight supply situation. The later was the result of the threat of a tight supply situation if the invasion of the Ukraine by Russia had resulted in a cut off in Russian wheat exports. While Black Sea hostilities have restricted Ukrainian grain exports the larger volume of Russian wheat movement has not been affected at least in volume if not price.

Initially the treat of the humanitarian impact on the developing world of higher prices allowed Russian wheat to continue to be exported. Wheat prices are now below pre hostility levels and the global supply situation tighter. One wonders, therefore, whether the trade restrictions currently being applied on Russia, and resulting in discounts on Russian export prices, are not having an impact on global wheat prices in aggregate.

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