

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					11-Sep-20
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Dec	199.15	202.18	177.66	Soybeans	Nov	365.97	355.68	330.24	
HRW Wheat	Dec	173.16	173.62	146.83	Soya Meal	Dec	281.04	288.02	270.24	
HRS Wheat	Dec	195.57	199.70	185.74	Soya Oil	Dec	727.77	725.13	645.76	
CWRS Wheat	Spot	232.43	234.70	215.58	Canola	Nov	510.00	503.70	449.80	
CPS Wheat	Spot	204.41	204.86	181.64	Crude Oil(WTI)	Dec	38.38	40.48	54.59	
Corn	Dec	145.46	140.94	145.17	Dollar Index	Dec	93.32	92.78	97.83	
Ethanol	Dec	34.66	34.66	36.17	S&P 500	cash	3,332	3,415	3,007	
Oats	Dec	175.40	175.07	181.88						

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

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

COMMENT: The salient feature of this week’s markets was the continuing reports of soybean export sales. Other USDA reports were about as expected and supportive. The corn market was also supported by favourable export demand. The wheat market has not been so favoured. With canola prices at two year highs, futures trading volume was heavy.

NEWS: Prairie provincial crop reports indicate SK and AB harvest ahead of average and MB behind.

For MB, as of Sept 8: Cereal harvest advanced rapidly, but behind average for most crops with widespread frost reported.

For SK, as of Sept 7: Significant harvest progress with 45% complete up from 28 percent last week and well ahead of five-year average of 35%.

For AB, as of Sept 8: Harvest 22% complete compared to 10% last week and a 22% five year average, with some rain delays and frost.

The USDA’s September 1 corn and soybean production estimates of 378.5 and 117.4 mmt were respectively down 2 and 3 percent from the August estimate and up 9 and 21 percent from 2019 output. Both corn and soybean estimates were slightly below pre report expectations.

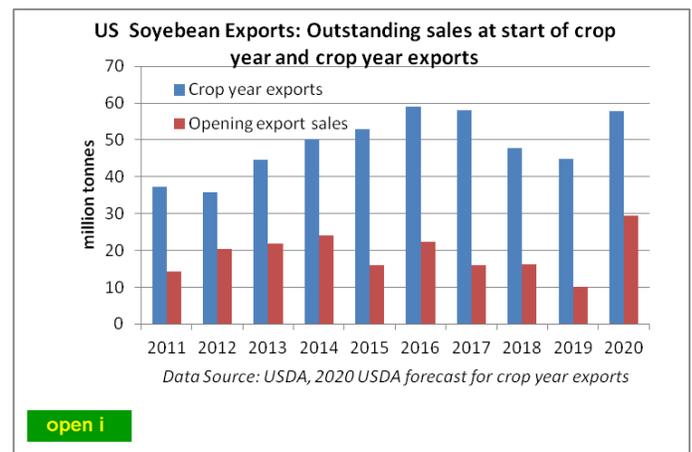
As is usual with no wheat production estimate this month, the USDA did not revise its US wheat supply and demand projections. The USDA’s 2020-21 global wheat production estimate was raised with improved Canadian and Australian prospects offsetting those from Argentina. Ending stocks were raised to a new global record.

The US corn supply estimate for the current year was cut with lower output partly offset by larger beginning stocks. With lower domestic use adjustments more than offset by a rise in export estimates, ending stock are almost 10 percent lower but still 11 percent above beginning stocks.

Global coarse grain data for beginning stocks and output was raised but partially offset by increased use. Ending stocks are 5 percent lower than last month’s estimate and about unchanged from beginning stocks.

2020-21 US soybean supplies were lowered and with use projections about unchanged ending stocks were 25 below last month’s forecast and 20 percent below beginning stocks. A lower global oilseed production forecast and a slightly higher use forecast is expect to result in ending stocks 1percent lower than last month’s forecast and 4 percent below beginning stocks.

OPINION: The continuing daily reports of US export sales of soybeans, mainly to China, have indeed result to massive outstanding sales currently, at the start of the crop year, close to 30 million tonnes, triple last year’s level and 23 percent ahead of the previous record for the start of a crop year in 2014. With a number of reasons for overseas buyer committing well in advance of physical needs and indeed the potential for cancellations, the questions arises as to whether these outstanding sales will mean good export shipments. Past experience suggests this is generally the case. But the politics of trade with China being as vexed as it currently is nothing is certain.



David Walker,
Edmonton, AB, CA

