



Crop Market Summary

Week ending Nov 06, 2020

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	6-Nov-20 Year ago
SRW Wheat	Dec	221.20	219.91	187.49	Soybeans	Jan	406.02	388.11	342.09
HRW Wheat	Dec	204.02	198.88	154.88	Soya Meal	Jan	344.99	337.10	276.59
HRS Wheat	Dec	204.76	202.92	190.52	Soya Oil	Jan	776.05	737.69	694.49
CWRS Wheat	Spot	252.88	247.26	226.27	Canola	Jan	549.00	542.60	463.30
CPS Wheat	Spot	236.81	224.38	194.75	Crude Oil(WTI)	Dec	37.12	35.60	57.43
Corn	Dec	160.13	156.88	148.52	Dollar Index	Dec	92.24	94.06	98.22
Ethanol	Dec	35.93	35.66	37.30	S&P 500	cash	3,506	3,245	3,088
Oats	Dec	194.85	192.74	197.28					

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 major US price supporting influences this week appear to have been for corn - export demand, for soybeans - South American weather and vegetable oil values and for wheat - US and eastern European early winter wheat crop conditions. A weaker dollar was supportive as were the anticipated US election results. Canola prices were pressured by a soft dollar but supported by higher vegetable oil values.

NEWS: Canadian Grain Commission data continues to indicate above average farmer deliveries, movement of crops out of country positions and exports. Even allowing for the relatively early harvest, exports - a third above a year ago, are impressive. That commercial stocks are at a relatively high level suggests that this trend is likely to continue for several weeks.

The bulk of the increase in exports has been for wheat and canola. The relatively high level of wheat and canola stocks in country elevators suggests that movement of these two crops are likely to be favoured for awhile.

The USDA's **November 1 crop progress report** placed the condition of the US winter wheat crop at 43 percent good or excellent, up 2 percentage points from last week but well below last year's 57 percent at this time last year and the five-year average of 54 percent. The crop was reported to be 89 percent planted compared to a five-year average of 86 percent and 71 percent emerged compared to the five year average of 70 percent. The crop is certainly not beyond redemption but would benefit from above average rain.

Fall harvesting is in the wrap up phase. Corn and soybeans were reported 82 and 87 percent complete compared with five-year averages of 69 and 83 percent. While harvesting appears ahead of average, some challenges remain in northern states.

The **USDA reported net export sales** of wheat, corn and soybeans of 0.6, 2.6 and 1.5 million tonnes for the week ending October 29. While the very heavy pace of US export sales appears to have slackened recently, these sales were above pre report trade expectations particularly for corn which was above the range of expectations. China was specified as the largest destination for corn but featured lower on the list of specified

destinations for soybeans. In view of the very substantial Chinese government held corn stocks, the level of imports of corn may have come as a surprise. It would seem that any short fall in Chinese corn supplies will be made good from both imports and government stocks.

OPINION: The West Coast factor seems to be important for prospects at this time. Last crop year about two thirds of Canadian crop exports moved across the Pacific. This year, to date, about 70 percent have moved in that direction and that is even before the east coast is cut off by winter.

Too often Atlantic market influences are taken to illustrate the state of the market, viz. Russian wheat sales to Egypt, or lack thereof from the EU. The reality is that most real growth in global income and thus reliable demand is occurring in western Pacific markets. And for the moment because of challenging weather a year ago, competition from Australia has been limited. But that factor will be coming to an end soon as a recovery in their supplies is about to hit the market.

David Walker,
Edmonton, AB, CA

