

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					8-Jan-21
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	234.70	235.35	203.75	Soybeans	Mar	505.14	481.35	345.94	
HRW Wheat	Mar	218.53	221.75	174.53	Soya Meal	Mar	398.78	389.26	273.23	
HRS Wheat	Mar	223.50	220.19	201.17	Soya Oil	Mar	961.03	935.67	773.41	
CWRS Wheat	Spot	270.44	n/a	242.39	Canola	Mar	665.20	637.00	469.60	
CPS Wheat	Spot	249.24	n/a	214.93	Crude Oil(WTI)	Mar	52.29	48.53	62.75	
Corn	Mar	195.36	190.54	152.16	Dollar Index	Mar	90.14	89.88	96.55	
Ethanol	Mar	40.50	38.46	36.38	S&P 500	cash	3,803	3,742	3,238	
Oats	Mar	231.97	233.92	193.23	SRW Wheat	Dec	233.97	233.97	211.83	
					Corn	Dec	173.42	171.15	157.77	
					Canola	Nov	545.20	541.00	496.20	

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

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

COMMENT: Yet another week of multiyear highs, at least for spring seeded crops. Prices appeared to be supported by declining South American crop prospects for corn and soybeans and in recent days daily USDA export sales reports. Spring wheat prices were higher in line with other spring seeded crop but US winter wheat prices were pressured by improved moisture conditions in the southern Great Plains.

NEWS: Following a two week – 8 working day reporting period and a one week – 4 working days reporting period, it is difficult to read too much into Canadian Grain Commission data. Primary elevator stocks fell by 16 percent over the holiday with wheat, barley, canola and peas stocks all lower. We will have to wait a few weeks so see whether this signifies a lower pace of crop movement. It could simple be that grain companies were able to ship more than they expected with unusually warm weather assisting the railways. Or, after probably better than expected prices this fall, farmers may have deferred delivery for tax reasons.

Likewise USDA Foreign Agricultural Service data on export sales over the holiday period may not be too indicative. The weekly sales data reported on January 7 for the seven days to January 31 – over the Christmas holiday, were regarded as disappointing or at the lower end of expectations for corn and soybeans. For soybeans they were in fact at multiyear lows. In view of the holiday and the uncertainty created by the labour disruptions in Argentina it would probably be unwise to read too much into this.

Over the last three days, however, daily sales have been reported and these reports had been conspicuous by their absence for most of December. In addition to the requirement to report all export sales on a weekly basis, exporters are required to report sales of over 100,000 tonnes - equivalent to about two ocean vessels, on a daily basis. That this has occurred at a time when export business for the US is usually slow and concerns are beginning to be raised about South American new crop supplies, suggests that buyers are not unduly fazed by the substantial rise in prices.

The January USDA crop progress report placed Kansas wheat at 46 percent good or excellent compared to the last weekly report in late November of 33 percent and last year's 40 percent. Quantitative assessments of US winter wheat crops in the winter are far from inclusive.

On Wednesday January 12 we get USDA estimates of their Dec 31 Grain Stocks, final 2020 Production, Winter Wheat Area, and Supply and Demand estimates. Later in the month Ag Canada will be publishing the first of the 2021-22 forecasts.

OPINION: Since the spring canola prices have increased by almost 50 percent. But are prices at this level sustainable. The last time canola prices were at current levels was in 2012-13 when the stocks use ratio ended the season at under 5 percent. Currently Ag Canada forecasts this season's stocks use ratio at about 6 percent. Ultimately it will be the soya complex that determines this.



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