

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					5-Feb-21
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	235.62	243.61	205.31	Soybeans	Mar	502.20	503.39	324.08	
HRW Wheat	Mar	229.74	234.43	173.62	Soya Meal	Mar	390.53	390.98	262.44	
HRS Wheat	Mar	230.02	232.96	196.76	Soya Oil	Mar	984.62	983.74	682.80	
CWRS Wheat	Spot	284.65	278.14	239.04	Canola	Mar	692.30	691.00	461.30	
CPS Wheat	Spot	267.58	259.54	208.57	Crude Oil(WTI)	Mar	56.85	52.13	50.45	
Corn	Mar	215.93	215.34	150.98	Dollar Index	Mar	91.03	90.55	98.55	
Ethanol	Mar n	45.17	45.17	35.08	S&P 500	cash	3,887	3,715	3,327	
Oats	Mar	226.46	226.62	196.47	SRW Wheat	Dec	236.91	236.91	209.81	
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn	Dec	177.84	175.19	155.11	
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola	Nov	559.30	555.30	483.90	

COMMENT: US wheat prices were lower without the support of a major move in corn markets. The very large purchase last week of US corn by the Chinese showed up in weekly US export sales data. News of the development of South American crops was not definitive. Corn as well as soybeans prices tended to lack direction. StatsCan Dec 31 canola stocks estimate was slightly lower than pre-report expectations with prices contuing to trade in a range..

NEWS: The Stats Canada’s Dec 31 crop stocks’ survey placed total stocks for 11 major crops at 65.0M tonnes, 92 percent of revised year earlier data, and 96 percent a 5-year average.

Dec 31 Stocks of Canadian Crops

	2020 M tonnes	2020,% of 5-yr avg	2020, % of 2019
Wheat	20.1	105	95
Canola	12.1	85	76
Barley	5.7	98	95
Durum	4.6	92	99
Oats	2.7	103	100
Dry peas	2.6	98	96
Lentils	1.8	97	77
Corn	11.1	96	103
Soybeans	3.7	94	91
Flax	0.4	71	97

Data source: Statistics Canada

The decline in canola stocks was the most significant of the changes but was widely anticipated. The largest revisions in 2019 data were upward revisions of wheat, canola and lentil stocks. The data suggests increased feed use of wheat, oats and barley in the last four months of 2020.

OPINION: Possibly the most significant news of the week was the United Nation’s Food and Agriculture Organization’s(FAO) decision to cut its estimate of China’s

year end stocks of corn by 54 million tonnes or 40 percent - about five times what Canadian produces in a typical year. At least three organizations publish comprehensive global grain supply and demand forecasts - in order of credibility, in my opinion, they are the USDA, the International Grains Council and the FAO. There is nothing new in the uncertainty created by the lack of reliable information of this nature for centrally planned economies.

In November 2019, the USDA revised its estimate of Chinese grains stocks based on the Chinese National Bureau of Statistics production estimate which was in turn based on their third National Agricultural Census. The Chinese did not publish stocks data but the USDA derived them. The revision was close to a massive 150 million tonnes.

The politics of FAO aside, all this seems at best unlikely. But it would explain the matter of the Chinese buying so much US corn recently when their coarse grain ending stocks are currently forecast by the USDA to be a very comfortable two thirds of annual consumption. Equally it could be that FAO made its adjustments in light of the Chinese corn purchases. Donald Rumsfeld would surely class this as a “known unknown”. It will be interesting to see whether the USDA will cut its estimate of Chinese stocks in its monthly revisions this coming Tuesday.



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