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Crop Market Summary

Week ending Mar 05, 2021

Crop and Related Prices, Can or US$/tonne, US$/l ethanol

Commodity	Month	This week	Last week	Year ago
SRW Wheat	May	239.94	242.60	189.51
HRW Wheat	May	230.11	232.87	164.06
HRS Wheat	May	237.55	231.49	193.00
CWRS Wheat	Spot	296.80	295.70	231.02
CPS Wheat	Spot	271.53	279.93	198.93
Corn	May	214.75	215.54	148.02
Ethanol	May n	45.73	44.91	33.34
Oats	May	248.99	236.51	174.10

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

Oilseeds & Other Prices, Can or US$/tonne or index 5-Mar-21

Commodity	Month	This week	Last week	Year ago
Soybeans	May	525.44	515.98	327.48
Soya Meal	May	379.42	382.27	276.77
Soya Oil	May	1,142.03	1,101.03	633.85
Canola	May	780.50	739.20	460.00
Crude Oil(WTI)	May	65.86	61.23	41.29
Dollar Index	Jun	91.96	90.86	95.79
S&P 500	cash	3,812	3,831	2,972
SRW Wheat	*Dec*	*238.84*	*238.84*	*196.67*
Corn	*Dec*	*189.56*	*185.32*	*150.19*
Canola	*Nov*	*619.30*	*596.80*	*476.70*

COMMENT: It continues to be generally too wet for the Brazilian soybean harvest and too dry for the developing Argentinean corn crop. Support from this direction more than offset relatively quiet US export demand conditions.
Old crop soybeans have been trading in a rather wide upward trend since early February and are now approaching January high. Old crop canola prices have been showing independent strength probably due to the strength of vegetable oils against protein meal. They are again at record high levels. Wheat markets were mixed with the condition of the US winter wheat crops coming out of dormancy an increasing influence.

NEWS: Canadian Grain Commission weekly data for the last week of February indicated that crop market activity has sprung back after the very cold week two week earlier. Farmer deliveries, rail movement and exports were back close to levels seen in January. Commercial stocks and particularly those in country elevators have increased seasonally as grain companies stock up in advance of a seasonal decline in farmer interest in deliveries with road bans and spring field work priorities.

It has been a relatively quiet time for US export sales as buyer interest has shifted to South American sources for corn and soybeans. But this does not seem to be detracting from a generally good year for US crop exports. The sum of cumulative crop year export sales and export shipments for wheat, corn and soybeans are currently 3, 122 and 77 percent above the previous year.

OPINION: It is now12 months since the Chinese offered tariff exemptions on purchases of US wheat, corn and soybeans under Phase 1 of the US-China trade deal. This event is probably viewed by most as setting in motion positive developments in the US soybean market and hence canola prospects. Cynics in the crowd, however, might claim the Chinese agreed to the deal in order to protect their source of whatever they needed from the US and soybeans would be on that list. The expectation being that the Chinese would only buy what and when they wanted.

Outstanding US export sales of soybeans may be an indicator of Chinese interest as Chinese sales dominate these, issues such as freedom to cancel sales apart. This measure may be particularly the case for new crop sales where outstanding sales typically start to increase well before other commitments such as book shipping, insurance are necessary.
It was not until early May last year – two months after the tariffs were lifted, that US new crop export soybean sales last year took off.
This year there were unusual new crop commitments in January for reasons not known here but these likely raised expectations. More recently new crop US soybean export sales announcements have been conspicuous by their absence. But if the last two years are anything to go by, new crop business cannot be expected to pick up for a couple of months. Until that time there is probably no reason to be anxious about 2021-22 market prospects for soybeans and canola even if new crop sales action is slow.

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