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# Crop Market Summary

Week ending Mar 12, 2021

| Crop and Related Prices, Can or US$/tonne, US$/l ethanol | | | | | Oilseeds & Other Prices, Can or US$/tonne or index | | | | 12-Mar-21 |
|---|---|---|---|---|---|---|---|---|---|
| Commodity | Month | This week | Last week | Year ago | Commodity | Month | This week | Last week | Year ago |
| SRW Wheat | May | 234.70 | 239.94 | 185.92 | Soybeans | May | 519.38 | 525.44 | 328.81 |
| HRW Wheat | May | 221.75 | 230.11 | 158.55 | Soya Meal | May | 363.50 | 379.42 | 271.69 |
| HRS Wheat | May | 232.87 | 237.55 | 186.66 | Soya Oil | May | 1,220.52 | 1,142.03 | 581.38 |
| CWRS Wheat | Spot | 293.53 | 296.80 | 230.84 | Canola | May | 801.10 | 780.50 | 453.60 |
| CPS Wheat | Spot | 266.53 | 271.53 | 196.79 | Crude Oil(WTI) | May | 65.56 | 65.86 | 32.26 |
| Corn | May | 212.19 | 214.75 | 143.99 | Dollar Index | Jun | 91.67 | 91.96 | 98.98 |
| Ethanol | May n | 46.92 | 45.73 | 31.86 | S&P 500 | cash | 3,937 | 3,812 | 2,545 |
| Oats | May | 244.78 | 248.99 | 173.94 | *SRW Wheat* | *Dec* | *237.73* | *237.73* | *192.45* |
| For price specs. go to: www.open-i.ca/PriceSpec.htm | | | | | *Corn* | *Dec* | *188.47* | *189.56* | *146.84* |
| Data in red are 12-month highs, blue are 12-month lows, green revised | | | | | *Canola* | *Nov* | *633.30* | *619.30* | *470.50* |

**COMMENT:** Generally favourable prospects for northern hemisphere winter wheat crops with moisture for the US Great Plains and seemingly elsewhere weighed on wheat prices. For South America weather related concerns do not seem to have worsened which pressured oilseed markets. Demand data has not been spectacular with concerns expressed over a variant of the African swine flu in China, or is that an echo.

The oilseed complex benefitted from soya oil prices rising at an accelerating pace. They have more than doubled since May. Meal prices have been lower recently, perhaps as a result of (c)rush for the oil. This has favoured canola versus soybeans.

**NEWS:** USDA published its revised March Supply and Use forecasts for the current crop year on Tuesday. **US wheat, corn and soybeans data** was virtually unchanged, with only an increase in soft white wheat exports to eastern Asia offsetting a decline in expectations for sales of hard reds in Atlantic markets. US data adjustments are usually minor in March.

An increase in **world wheat** production and specifically record Australian output was offset by an increase in Chinese feed use as their government stocks were auctioned off with corn prices at a premium to wheat. Both Australia and Canada were seen benefitting a relatively stronger Pacific market. Globally ending stocks were revised lower by about one percent and are now only marginally above beginning stocks.

An upward adjustment **global coarse grain** output estimates resulted from improved Indian and South African corn and Australian barley production prospects. This was partly offset by increased use but ending stocks were raised marginally and are still about 4 percent below beginning stocks.

The USDA's estimates for **global oilseeds** include higher output and ending stocks. Higher production estimates for Brazil and India were partly offset by lower ones for Argentina. Ending stocks were raise by about one percent but are still 14 percent below beginning stocks.

**Canadian Grain Commission** data for the week ending March 7 indicates farmer deliveries, exports and domestic use pretty well typical for the time of year. What might be a concern is there has not been much of a build in country elevator stocks in advance of the road ban season which seems to be earlier than usual this winter. This suggests that exports may be restrained by supplies as spring progresses.

**OPINION:** As Chinese demand for major crops is such a central issue at this time, it may be worth the space to try to figure out this situation or at least perceptions about it. Be warned past experience suggests data is not overly reliable and subject to major and retrospective revisions. On the demand side there is some certainty as Chinese economic growth has been favourable particularly during the pandemic and hence income and food use on the rise. USDA data suggests that grain output has been static in recent years with some growth in soybean production. Chinese year end stocks of wheat and corn are totally disproportionate to their use – more than total annual use and two thirds of this, respectively, and to total world stocks, about half and close to two third of global stocks. For soybeans China has little option but to import what it does not produce – about 85 percent. But for the grains there is a choice to augment supplies from those stocks. And being a command economy that is a political rather than economic decision.

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