

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					19-Mar-21
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	May	230.38	234.70	198.14	Soybeans	May	520.39	519.38	316.92	
HRW Wheat	May	215.14	221.75	172.33	Soya Meal	May	370.03	363.50	295.01	
HRS Wheat	May	230.38	232.87	191.44	Soya Oil	May	1,187.67	1,220.52	565.29	
CWRS Wheat	Spot	286.12	293.53	243.81	Canola	May	776.20	801.10	461.90	
CPS Wheat	Spot	266.54	266.53	229.38	Crude Oil(WTI)	May	61.42	65.56	25.03	
Corn	May	219.58	212.19	135.33	Dollar Index	Jun	91.94	91.67	103.56	
Ethanol	May n	46.86	46.92	26.21	S&P 500	cash	3,921	3,937	2,330	
Oats	May	237.32	244.78	169.89	SRW Wheat	Dec	234.98	234.98	200.90	
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn	Dec	185.62	188.47	143.10	
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola	Nov	619.60	633.30	472.70	

**COMMENT:** Crop prices were generally lower but relatively volatile this week. Reports for more favourable weather for crop development in South America weighed on corn prices but eventually with a fourth daily report of US old crop corn sale to China, corn prices ended at the top of a price range that has been in place since early February. Soybean prices moved in a similar manner with the South American weather also favouring crop development and probably the expectation that if the Chinese were in the market for corn, soybean and/or soya meal would follow. Vegetable oil prices slide with improved prospect for the Malaysian palm oil harvest. Canola prices were also lower under this influence. Wheat prices were lower as early indications are that northern hemisphere winter wheat crop conditions are improving.

**NEWS:** Ag Canada's revisions to its 2020-21 crop supply and demand forecasts this month included further upward revisions to its export forecasts and reduction in yearend stocks for an eight consecutive month. Export forecasts are almost 13 percent above, and ending stocks over 27 percent below, forecasts at the start of the crop year. Exports would be the largest in at least 30 years and yearend stocks the lowest since 2013 if forecasts are realized.

By crop export forecasts were raised by, to the nearest percent, as follows: durum one, barley three, and oats four percent. Ending stocks were reduced as follows: durum ten, wheat 9, barley 14 and oats 20 percent. Total export forecasts were up one percent and ending stocks down 9 percent for the month. Oilseed data does not seem to have been adjusted.

Canadian Grain Commission data indicates another favourable week for rail movement of crops. But grain companies do not seem to have been successful in attracting farm deliveries to the degree necessary to maintain exports through the spring period. Wheat and barley stocks have been raised but not canola and peas. This may reflect farm supplies being exhausted.

**OPINION:** Explanations for this abrupt demand driven change in crop market conditions are varied. That improved prospects have been seen for all crops suggests

something beyond the supply and demand conditions for individual crops.

Certainly the Covid pandemic has made this year very different.

Looking at previous situations of this nature for clues, we note that in 1919 the Dominion Bureau of Statistics recorded the average farm price for all Alberta wheat was \$2.31 per bushels, or about \$85 per tonne. It was not matched for over 50 years. It does not sound like much until you adjust it to 2020 dollars using the consumer price index which puts it at over \$1,000 per tonne. A lot was happening that year in addition to the "Spanish" Flu. This included a single isolated year of operation for the Canadian Wheat Board. The extremely favourable prices that year were attributed by some to board activity. As the board was unable to repeat this performance in later years, we are not inclined to give it full credit for 1919 prices.



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