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Crop Market Summary

Week ending May 14, 2021

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

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	259.87	276.77	183.81
HRW Wheat	Jul	241.68	267.04	166.17
HRS Wheat	Jul	273.01	290.46	186.02
CWRS Wheat	Spot	322.83	347.54	241.10
CPS Wheat	Spot	294.37	325.59	206.89
Corn	Jul	253.43	283.06	125.68
Ethanol	Jul n	61.82	61.82	28.27
Oats	Jul	238.62	273.63	202.31

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 14-May-21

Commodity	Month	This week	Last week	Year ago
Soybeans	Jul	582.76	575.50	308.10
Soya Meal	Jul	379.64	386.45	260.81
Soya Oil	Jul	1,452.46	1,419.17	586.01
Canola	Jul	871.80	1,005.90	472.30
Crude Oil(WTI)	Jun	65.38	64.97	29.56
Dollar Index	Jun	90.33	90.52	100.46
S&P 500	cash	4,175	4,230	2,852
SRW Wheat	*Dec*	*260.79*	*281.18*	*188.40*
Corn	*Dec*	*213.67*	*250.58*	*130.70*
Canola	*Nov*	*742.20*	*752.10*	*478.60*

COMMENT: Making much sense of an extremely volatile week for prices has been challenging. But it seems that very strong vegetable oil prices have had a positive impact on crush margin and hence oilseed prices. In turn US corn prices have benefitted as a balance of seeding incentive is seen as necessary at this time of year. Further wheat values have benefitted in the context of likely substitution for corn in some feed rations in some places. Soya oil prices have doubled in not much more than six months. Interestingly the USDA does not appear to forecast any reaction to record soybean prices in terms of reduced use. Otherwise the USDA supply and use data was relative neutral with some negative implications for corn.

NEWS: The Progress with **US spring crop planting,** as of May 9, for corn, soybeans and wheat stood at 67, 42 and 70 percent complete respectively. This compares with last year's 65, 36 and 40 and 5-year averages of 52, 22 and 51 percent. Seeding is ahead of average particularly for spring wheat. Good and excellent ratings for the **US winter wheat** crop were up one percentage point at 59 percent, compared to last year's 53 percent and a 53 percent five-year average.

The USDA's first survey based 2021 winter wheat production estimate placed output at 34.9M tonnes, up almost 10% from 2020 – harvested area up 6.9% and yield up 3.6% from last year. Hard red winter output is 11%, soft red winters are up 25% and white winter wheat down 10%. Interestingly in almost all states where farmers might have been expected to grow more spring crops at the expense of winter wheat, winter wheat areas are up.

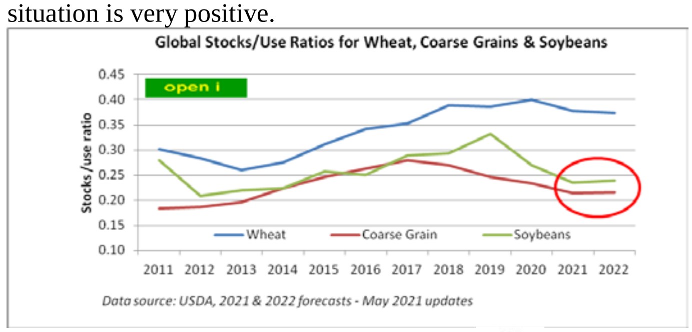
The USDA's initial 2021-22 monthly outlook for **US wheat,** published May 11**,** is for reduced supplies as a result of smaller beginning stocks, increased feed use, lower exports and lower ending stocks than in 2020-21. With a reduced corn-wheat price spread US feeding of wheat is expected to be the largest in 8 years. **Global wheat** output and supplies are expected to increase by more than increased use resulting in slightly higher ending stocks. The USDA did not "chance to report" that China continues to hold more than half of these stocks.

With a bigger area and better yields, an increase in **2021 corn** output will offset lower beginning stocks. Further, forecasts for lower exports in 2021-22 will more than offset increased domestic ethanol use. Thus, ending stocks are projected 20 percent above beginning stocks but still 21 percent below 2020-21 beginning stocks.

The USDA's **global coarse grain** outlook is for record production and use, but with an 8 percent increase in ending stocks which will be 17 percent below the record 2017 level. But the USDA noted that excluding China, global corn ending stocks are up 10 percent relative to a year ago.

With beginning stocks of **US soybeans** expected to be down for a second consecutive year more than offsetting an increase in 2021 production, price rationing is expected to reduce exports with domestic crush rising and ending stocks at minimal levels. **Global oilseed** production is forecast to rise by over 5 percent. This unusually large increase is largely offset by an increase is use with ending stocks expected to increase by almost 5 percent still well below levels of the recent past. Vegetable oil use appears to be the driver for these changes.

OPINION: With US corn and soybean supply balances having tightened significantly during the 2020-21 crop year, the first monthly forecasts for 2021-22 were of particular interest. They suggested a second year of tight supplies. That the current high prices are not expected to reverse the current situation is very positive.



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