

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					28-May-21
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Jul	243.80	247.75	191.34	Soybeans	Jul	562.37	560.81	308.93	
HRW Wheat	Jul	225.33	229.28	172.88	Soya Meal	Jul	358.78	353.70	256.95	
HRS Wheat	Jul	266.95	257.39	192.91	Soya Oil	Jul	1,451.13	1,443.86	603.65	
CWRS Wheat	Spot	309.24	303.35	245.85	Canola	Jul	887.40	883.20	461.10	
CPS Wheat	Spot	284.30	277.98	215.96	Crude Oil(WTI)	Sep	65.54	63.14	35.07	
Corn	Jul	258.55	259.63	128.24	Dollar Index	Sep	90.02	90.04	98.38	
Ethanol	Jul n	62.08	62.08	29.53	S&P 500	cash	4,212	4,159	3,010	
Oats	Jul	244.78	230.84	210.25	SRW Wheat	Dec	247.93	250.23	195.57	
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn	Dec	214.75	214.95	133.36	
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola	Nov	714.20	706.80	470.00	

COMMENT: Markets were very volatile this week with weather reports/forecasts and demand related news alternatively holding the markets' attention. Northern hemisphere wheat crops appear to be in reasonable condition the Dakotas and Prairies aside. Moisture received in much of these areas may maintain crops but not sustain them for long. Chinese government measures to discourage commodity speculation seen as the cause of higher prices for a wide range of commodities weighed on corn prices but there do not appear to have been any immediate sales cancellation and new sales continue to be made.

NEWS: The Prairie provincial crop reports indicate dry conditions still a concern in the east.

For MB, as of May 25: Spotty to widespread rain over much of the province will allow germination but more is needed for sustained growth. Seeding is 91% complete compared 88% last year and a 3-year average of 93%.

For SK, as of May 24: Seeding is ahead of average at 86% complete, compared to 80% last year and a five-year average of 77%. After some steady and welcome rain, cropland topsoil moisture conditions were rated 80% adequate compared to 78% last year and a 59% 4-year average.

For AB, as of May 25: Soil moisture improved by at least 15% in all regions except for the Peace. Despite some rain 90% of the crop is seed, above the five-year average of 77% and last year's 70%. Surface soil moisture is rated 82% good and excellent compared to a four-year average of 73%.

Canadian Grain Commission weekly data confirms that movement of crops has slowed seasonally as farmers have focused their attention on spring field work. With reduced farmer deliveries primary elevator stocks have slipped below a level of three million tonnes at which the system appears to need to work effectively. At 812,000 tonnes movement out of country positions for the week ending May 23 was the lowest recorded during this season since 2017.

US May 23 crop progress reports indicated spring crop development continues ahead of normal. Planting was reported at 90, 75 and 94% complete for corn, soybeans and spring wheat, above 5-year averages of 80, 54 and 85%. On a US wide basis adequate and surplus top soil conditions have

increased to 68%, up 2 percentage points from the previous week but below a 5-year average rating of 86%.

Overall US winter wheat condition was down 1 percentage point at 47% good and excellent, 6 points above the 5-year average. The first spring rating was 45% good or excellent compared to a 5-year average of 68.

OPINION: It is no secret that Chinese purchases are the reason for the unprecedented level of new crop corn purchase this early in the year. Chinese purchases represent at least 73 percent of a total of 14.6M tonnes of new crop corn purchases from the US. Last year it was not until late August that purchases exceeded this amount.

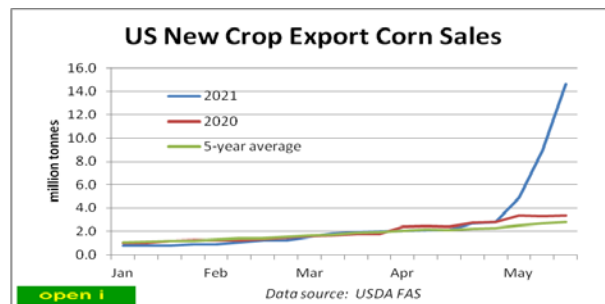
The Chinese may simply be placing orders early in view of the tight supply situation and the potential for the US to embargo exports as they did for soybean meal and such in 1973. This seems unlikely in the context of the Chinese reportedly holding massive yearend stocks, estimated by the USDA at almost two thirds of their annual use.

Early purchase may have been made in advance of an expect increase in prices. Attempts by the Chinese government to prevent such speculation are likely to be ineffective. What would work would be sales from government stocks..

It seems likely that any increase in Chinese corn purchases will need to be balanced in livestock feed rations by purchases of soybean meal and such, of which the Chinese are reported not to have large stocks.



David Walker,
Edmonton, AB, CA



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