

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	264.01	262.44	198.14	Soybeans	Sep	499.53	475.38	349.25
HRW Wheat	Sep	261.71	257.94	169.67	Soya Meal	Sep	321.36	320.50	273.60
HRS Wheat	Sep	344.11	337.13	190.52	Soya Oil	Sep	1,351.48	1,267.48	736.15
CWRS Wheat	Spot	392.85	383.03	234.11	Canola	Nov	911.70	869.20	499.10
CPS Wheat	Spot	330.70	333.47	202.11	Crude Oil(WTI)	Oct	68.72	62.23	43.62
Corn	Sep	219.67	212.10	136.21	Dollar Index	Sep	93.53	93.53	92.39
Ethanol	Sep n	58.65	58.65	34.05	S&P 500	cash	4,508	4,435	3,485
Oats	Sep	335.88	320.97	173.45	SRW Wheat	Dec	269.15	267.59	201.63
					Corn	Dec	218.00	211.41	141.43

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

COMMENT: Crop markets continue to be buffeted by weather forecasts and reports. But this week’s gains probably result from declining US crop report conditions and relatively favourable demand side data, particularly for soybeans.

NEWS: Prairie provincial crop reports suggest harvest is ahead of normal. Finally weather has been general, frustrating for 2021 harvesting but welcome for 2022 harvest prospects.

Ag Can’s August revisions to its Outlook for Principal Field Crops published on Thursday included its reading of the drought situation, as of mid August it would seem. In aggregate it placed yields 23 percent below a year ago and this included corn and soybeans grown mainly in Eastern Canada where crop prospects are relatively favourable. After allowance for green feed harvesting and crop abandon production is down 25 percent and even after adding in the stabilizer of carryover stocks, supplies are down over 20 percent. To accommodate this export forecasts have been lowered by almost 40 percent – only so much adjustment is possible with ending stocks and domestic use.

All crop ending stocks, both on-farm and commercial, are forecast at 6.7 million tonnes, down 31 percent from the July estimate, down 36 percent from beginning stocks, the lowest level in at least 40 years and less than the equivalent 10 weeks of forecast exports.

For some crops the market impact of the drought is likely to be minor. Quality aspects aside, Canada is a relatively small player in the international wheat market and global supplies are relatively abundant. For others such as oats adjustments are likely to be significant, but difficult to anticipate. Canada dominates international trade as an exporter and the US as an importer. With Canadian exports forecasts to be cut in almost half, US millers will need to look somewhere else for supplies and it is not clear where they might find oats in sufficient quality and quantity. At the same time breakfast food manufacturers are unlikely to give up hard won market share without a fight.

OPINION: For the sake of clarity Agriculture Canada’s assessment of potential crop yields appear to have been made in mid August without a survey and after the formal Statistics Canada survey based July assessment. The results of the latter are scheduled to be published on Monday. This odd situation would not be the cause of uncertainty as the more formal Statistics Canada estimate would surely be accepted as the more authoritative. The challenge this year with the drought is that crop conditions were declining rapidly and the less formal but more recent Agriculture Canada’s estimates may be seen as the more reliable. Further uncertainty arises from a lack of experience in assessing drought affected standing crops and the impact of agronomic advances made since the last drought of this magnitude. For instance the 2.45 tonne per hectare 2021 Ag Canada estimate for wheat yield is the lowest since 2007. It seems likely that debate on the size of 2021 crops will persist until the post harvest, November Statistics Canada estimate is published in early December.



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