

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	Dec	277.51	265.93	210.73	Soybeans	Nov	458.01	472.16	375.62
HRW Wheat	Dec	279.07	264.46	187.21	Soya Meal	Dec	294.82	304.89	319.59
HRS Wheat	Dec	341.99	336.58	195.66	Soya Oil	Dec	1,292.17	1,278.06	698.45
CWRS Wheat	Spot	402.91	402.31	239.31	Canola	Nov	905.40	887.90	516.60
CPS Wheat	Spot	365.13	357.30	225.64	Crude Oil(WTI)	Dec	75.57	73.55	39.32
Corn	Dec	213.18	207.37	149.80	Dollar Index	Dec	94.03	93.33	93.90
Ethanol	Dec n	58.30	58.30	36.06	S&P 500	cash	4,356	4,448	3,362
Oats	Dec	383.22	373.00	184.80					

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: For wheat both US stocks and small grain reports were cited as being positive for prices on both Thursday and Friday. Harvest supply pressures were evident in corn and soybean markets. US weekly soybean export sales came in above expectations but oilseed prices were pressured on Thursday by the USDA quarterly stock revealing much higher than expected supplies.

NEWS: Prairie Crops Reports suggest harvest in the wrap up stage most places well ahead of usual for late September. **Ag Canada's** September revisions to its 2021-22 Outlook for Principal Crops included a downward revision to total crop production from its August estimate, with a lower yields expectation partially offset by higher harvested area. This is the first AgCan outlook incorporating StatsCan 2021 production estimates.

Beginning stocks were also raised following StatsCan's estimate of total year end crop stocks coming in larger than earlier expected. The total supply estimate was raised about 2.5 percent. Export and domestic use forecasts were raised slightly with ending stocks raised 17 percent. This is still almost 40 percent below beginning stocks and the lowest level in at least 30 years.

As noted earlier StatsCan's production estimates will almost certainly be reduced further when they have a measure of the area of crops cut for green feed in their November survey estimates published in early December. In its monthly Outlook for Principal Crops AgCan appears obliged, probably for office politic reasons, to use StatsCan existing estimates even though they seem to recognize that they are probably not representative. The anticipated December production estimate adjustments are likely to be larger for the grains than canola.

Thursday's **USDA September 1 crop stocks** reported 48.4, 31.4 and 7.0 mmt of wheat, corn and soybeans, respectively down 18, 36 and 51 percent from a year earlier. Note for corn and soybeans these stocks were before harvest, for wheat mostly after harvest. Wheat stocks were below the average trade expectations, for corn above average expectations, and for soybeans above even the range of trade expectations. The USDA made upward adjustments to its **2020** production estimates equivalent to most of the difference between the

anticipated levels of corn and soybean stocks and the actual levels.

The **USDA's annual small grains** report also published on Thursday estimated total 2021 US wheat production at 44.9 mmt, down 10 percent from 2020. This was below average pre report expectations. Other spring wheat was 9.0 mmt down 44 percent from 2020 but above trade expectations. Durum wheat was 1.0 mmt down 46 percent from 2020.

OPINION: The 2021-22 supply situations for all Prairie crops are much tighter. As the drought situation is limited to the Prairies and northern US states, its impact on price prospects will depend on relationships with other crop sources. For feed barley, the very direct competition from imported US corn will limit much independent price strength. For hard red spring wheat and canola, the substitution factor will also be apparent. For lentils and milling oats probably less so.

David Walker,
Edmonton, AB, CA

