

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index 29-Oct-21				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	283.76	277.78	219.91	Soybeans	Nov	454.06	448.46	388.20
HRW Wheat	Dec	288.72	284.40	198.88	Soya Meal	Dec	301.72	288.02	343.45
HRS Wheat	Dec	388.02	373.28	202.92	Soya Oil	Dec	1,350.82	1,368.90	741.00
CWRS Wheat	Spot	446.75	426.21	247.26	Canola	Nov	1,031.90	934.90	537.70
CPS Wheat	Spot	394.68	386.97	224.38	Crude Oil(WTI)	Dec	83.33	83.60	35.60
Corn	Dec	223.71	211.80	156.88	Dollar Index	Dec	94.13	93.67	94.06
Ethanol	Dec n	58.30	58.30	35.66	S&P 500	cash	4,591	4,454	3,245
Oats	Dec	473.18	432.66	192.74					

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: Wheat prices continued to trend higher with Egypt, the world's larger wheat importer, buying larger than usual quantity wheat this week, having rejected all offers at a previous tender. Weekly corn export sales data was at the lower end of expectations. But increasing crude oil prices have begun to be felt in demand for corn for ethanol production. Weekly soybean export seals were also below expectations. Soybean prices were also pressured by season harvest supply and reports of favourable seeding conditions in Brazil. Exceptional late week strength in November canola future was cited as stemming from the expiry of this contract rather than any continuing influence.

NEWS: The October 25 **USDA crop report** gave the first condition ratings for the 2022 US winter wheat crop at 46 percent good or excellent compared to last year's 41 and a five-year average of 52 percent. This was the lowest rating since the 2013 crop and below pre report expectations. Early winter wheat condition ratings have not been very indicative of final harvest outcomes in the past. This one provided ratings with just 55 percent of the crop emerged. US winter wheat planting is 80 percent complete compared to a 5-year average of 80. At the other end of the US crop cycle 2021 corn and soybean harvest were reported as being respectively 66 and 73 percent complete, compared to 70 and 82 percent last year and five-year averages of 53 and 70 percent.

Weekly **USDA export data** this week was generally regarded as disappointing. The sum of cumulative crop year exports and outstanding export sales as percent of the last crop year for wheat, corn and soybeans are respectively 79, 97 and 65 percent. USDA export forecasts for the full crop year are 88, 91 and 92 percent of last year's exports. For wheat and corn export business this early in the crop year seems to be on track with prices relatively buoyant. For soybeans it lags which is probably reflected in the four-month downward trend in prices. With US-China trade talks taking place the situation could change materially.

OPINION: The oat market does not receive as much attention as it deserves. It is difficult to ignore, however, with US oat prices, on a per tonne basis, increasing in not much

more than three years from a discount to corn - probably reflecting its livestock feed value, to a premium to hard red spring wheat - perhaps justified by its human health attributes. But it is supply and demand factors that have resulted in this. And they are very different from other crop commodities. The US is the major global *importer* and most world trade occurs across the 49th parallel.

Since EU export subsidies for Scandinavian oats have been wound down, the US has become almost completely dependent on Prairie oat imports. At the same time Canada has been developing Pacific Coast Latin American export markets. On the supply side drought conditions this year over almost all oat growing regions of Western Canada place both the quantity and milling quality of the 2021 Canadian oat crop in doubt. What is certain is that other sources will need to be sought by Canadian importers and it is not clear where or if these exist. The demand side for heavily branded oat based breakfast and snack food is likely to prove to be very inelastic. It will indeed be a record year for oat prices.

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