

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					10-Dec-21
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	288.53	295.33	225.79	Soybeans	Jan	462.88	465.64	426.32	
HRW Wheat	Mar	295.97	302.86	213.57	Soya Meal	Jan	332.74	325.31	344.99	
HRS Wheat	Mar	375.16	375.06	209.44	Soya Oil	Jan	1,183.70	1,261.53	843.08	
CWRS Wheat	Spot	468.54	476.19	253.78	Canola	Jan	1,008.00	1,032.90	593.60	
CPS Wheat	Spot	420.09	432.97	233.46	Crude Oil(WTI)	Jan	71.24	66.04	46.62	
Corn	Mar	232.27	229.91	166.72	Dollar Index	Mar	96.07	96.03	90.90	
Ethanol	Jan n	56.45	56.45	35.21	S&P 500	cash	4,698	4,507	3,660	
Oats	Mar	462.32	464.59	214.79						

For price specs. go to: [www.open-i.ca/PriceSpec.htm](http://www.open-i.ca/PriceSpec.htm)

Data in red are 12-month highs, blue are 12-month lows, green revised

**COMMENT:** Wheat prices were supported earlier in the week by emerging international quality and supply concerns. But with more favourable US winter wheat crop conditions and a somewhat negative USDA report on Thursday prices were under pressure again. Corn prices were higher over the week with support from positive export sales news, even without support from Thursday's USDA report. With higher soya meal offsetting lower soya oil prices, soybean were about unchanged over the week with lower than expected global ending stocks also supportive. Canola prices were lower with lower vegetable oil values. The influence of a US biofuel announcement on prices was unclear.

**NEWS:** With no fresh supply side estimates the USDA December revisions to US supply and demand(S&D) forecasts were limited largely to adjustments in use expectations and southern hemisphere outlook expectation. In a seasonal context December in the Southern Hemisphere is about equivalent to June in the Northern Hemisphere and so harvest expectations corn and soybeans are still tentative.

For US wheat adjustments were limited to reduced imports which were more than offset by increased and exports expectations which resulted in a less than 3 percent increase in ending stocks which are now forecast 29 percent below beginning stocks. The world wheat supply forecasts were increased mainly due to larger beginning stock and production forecasts for Australia. Quality related increase in feed use of wheat is forecast to offset some cut in food use. Ending stocks at 278 million tonnes were revised up by one percent but are still 4 percent below beginning stocks.

US corn data was unchanged from the October forecasts. The Global coarse grain supply estimate was raised slightly mainly due to increases in output for several European countries. This was only slightly offset by increase use. The ending stocks forecast was raised slightly and is under 3 percent above beginning stocks.

US oat supply estimate was raised by about 5 percent with an increase in imports of about 120,000 tonnes which was likely prompted by imports of oats from Sweden this crop year which are already the largest in six years.

The US soybean data was unchanged. The global oilseed production estimate was lowered slightly with a 2.6 million tonne cut in Chinese soybean output being largely offset by increases in other oilseed output elsewhere. The ending stock estimate was lowered by about one percent and stands less than one percent above beginning stocks.

Against trade expectation South American corn and soybean production forecasts were left unchanged. ???

**OPINION:** While all crop prices are much higher than a year ago, there is some differences as to how they got to where they are. Even if supply and demand forecasts often do not work out as expected, they tend to be reflected in prices at the time they were made.

For wheat a year ago the prospect was for a further increase in record global stocks and the bell whether stocks use ratio. Currently the prospect are more positive with no further increase in global stocks anticipated. The situation may not be as positive as it was five or more years ago.

For coarse grains the supply and demand situation seems to have developed much as anticipated and looking forward it does not seem to have changed much.

For soybeans last year unfolded much as expected but prospects for this year appear less favourable with the previously anticipated fall in the stocks use ratio now not expected to continue to fall.

In any event crop prices tend to stick together as farmers switch their seeding plans if a crop gets out of line, as is the obvious case with corn and soybeans.



David Walker,  
Edmonton, AB, CA

