



# Crop Market Summary

Week ending Jan 28, 2022

Crop and Related Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					28-Jan-22
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	288.90	286.60	243.61	Soybeans	Mar	540.14	519.65	503.39	
HRW Wheat	Mar	294.78	291.47	234.43	Soya Meal	Mar	373.02	356.24	390.98	
HRS Wheat	Mar	338.14	343.92	232.96	Soya Oil	Mar	1,439.01	1,388.96	983.74	
CWRS Wheat	Spot	427.02	430.94	278.14	Canola	Mar	1,017.60	1,022.30	691.00	
CPS Wheat	Spot	404.50	407.53	259.54	Crude Oil(WTI)	Mar	86.71	85.03	52.13	
Corn	Mar	250.38	242.61	215.34	Dollar Index	Mar	97.29	95.63	90.55	
Oats	Mar	438.01	403.97	226.62	S&P 500	cash	4,353	4,433	3,715	
					Canola	Nov	836.20	827.40	555.30	
					SRW Wheat	Dec	288.99	286.51	236.91	
					Corn	Dec	224.20	222.53	175.19	

Data in red are 12-month highs, blue 12-month lows, green revised  
 For price specs. go to: [www.open-i.ca/PriceSpec.htm](http://www.open-i.ca/PriceSpec.htm)

**COMMENT:** Cited as being supportive of prices this week were further reports of reduced South American corn and soybean harvest potential, favourable US export sales data particularly for soybeans, advances in crude oil prices and the potential for disruption to trade stemming from the stand off at the Russian Ukraine border. Against this a record Argentinian wheat harvest was reported.

**NEWS:** Ag Canada’s January Outlook for Principal Field Crops published last Friday provided their first very preliminary market perspective for the 2022-23 crop year. While the outlook will certainly change over the next 12 months as prospects unfold, it provides as useful an insight on which to start planning as is possible this early.

The initial focus is on yields as weather and thus yields will have a major impact on supplies. The best that can be anticipated is that they will recover but probably not to trend levels as there is little signs of much a recovery overall soil moisture deficits. Ag Canada noted its projections are “based on a return to trend or just below trend yields.” Typically this means yields a few percentage points below averages of the last five years before 2021. The exceptions was for the pulses and durum for which yield expectations are rather less than this and for canola and oats where they are rather more. An added uncertainty will be the impact of high fertilizer costs if they remain high.

As for seeded area, with prices for all major crops favourable, major shifts are not anticipated by Ag Canada. The outlier on this are increases for durum and oats. Total seeded area is forecast to increase by 2 percent, possibly suggesting a further significant cut in summerfallow which might be considered counter intuitive in view of the likelihood of poor soil moisture in the spring. But favourable price prospects undoubtedly make seeding into dry soil worth the risk.

After allowing for these improved production prospects and very much reduced beginning stocks total supplies are still ten

percent below pre drought year levels, with supplies of all crops lower.

On the demand side the anticipations are, of course, for a period six to 18 months hence. The expectations are for a general recovery of use, but not reaching pre drought year levels. This possibly reflects supplies not have fully recovering from pre drought levels..

This suggests the opportunity to move crops will continue to be favourable, even if the prices for most crops will be shaped by international rather domestic developments.

**OPINION:** New crop prices in years of favourable prices are usually at a disappointing discount to old crop. This simply reflects that those favourable prices will attract increased supplies with the resulting decline in prices. Unusually at this time, two of the three US wheat futures new crop prices are at a par with old crop. The conclusion from this is that there is not an expectation of an increase in wheat supplies relative to use in the new crop year.



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