

Crop and Related Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					4-Feb-22
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	280.45	288.90	235.62	Soybeans	Mar	570.82	540.14	502.20	
HRW Wheat	Mar	288.72	294.78	229.74	Soya Meal	Mar	402.69	373.02	390.53	
HRS Wheat	Mar	335.11	338.14	230.02	Soya Oil	Mar	1,440.99	1,439.01	984.62	
CWRS Wheat	Spot	427.34	427.02	284.65	Canola	Mar	1,018.30	1,017.60	692.30	
CPS Wheat	Spot	397.07	404.50	267.58	Crude Oil(WTI)	Mar	92.46	86.71	56.85	
Corn	Mar	244.28	250.38	215.93	Dollar Index	Mar	95.44	97.29	91.03	
Oats	Mar	474.00	438.01	226.46	S&P 500	cash	4,517	4,353	3,887	
					Canola	Nov	834.70	836.20	559.30	
					SRW Wheat	Dec	282.01	288.99	234.24	
					Corn	Dec	225.87	224.20	177.84	

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

COMMENT: Wheat prices were generally lower with the dormant US winter wheat crop receiving much need moisture in the southern Great Plains and a disappointing weekly export sales report. But the tension between the Ukraine and Russia is seen as continuing to provide support. Corn prices were higher with weekly US export sales at the higher end of pre report expectations and continued downward revision of South American crop prospects with not much in the way of relief for moisture conditions in weather forecasts. Soybean prices were also stronger with poor crop development in South America. US weekly export sales data for both soybeans and meal were supportive. Canola prices were about unchanged over the week and still close to all time high levels.

NEWS: The Canadian Grain Commission (CGC) week ending January 30, week 26, marks the mid point in the current crop year. Over those 26 weeks farmers delivered 25.6 million tonnes of all crops to CGC licensed facilities, 30 percent less than a year ago. This year's deliveries are about 34 percent of total farm supplies, about the same percentage as last year, but above a five-year average of 30 percent. Depending on feed, seed and such or local use (crops not delivered to CGC licensed facilities) and ending farm stocks, farm deliveries in the second six months of the crop year will almost certainly be much lower than in the first six. But the situation varies between crops.

For barley - used mainly, relatively locally for feed, the increased level of producer deliveries and exports have already resulted in the need to import US corn. The situation for oats is somewhat similar, but exports are a larger component of use and there are no ready substitutes for oats for human consumption milling.

Canola and durum are marketed almost exclusively through the elevator system. The exception to this is after difficult harvests when a portion of the crop is off grade and used locally. With favourable harvesting condition this year, there is likely to be limited off grade supplies. The implication for

these crops is lowered second half elevator supplies with little implication for local markets.

For wheat other than durum the situation is somewhere in between. Some wheat is grown for local feeding purposes and in eastern Canada where the drought was not a factor. It would appear that farm supplies of wheat will be less constrained than for the other crops for the balance of the crop year. But it is not clear how feed wheat can fill the drought induced gap in Prairie feed supplies.

OPINION: The question can be rightly asked as to how export demand for barley can result in a shortage of supply for Prairie feeding. The reality here is that international prices get reflected in grain company bids to the degree that local feeders find it economic to import feed US corn. This no doubt reflects the premium for malt as opposed to feed use. A similar situation likely exists for oats and milling for food use. In the days of market management by the Canadian Wheat Board (CWB) feed grain would not be sold to the degree that domestic feeders would have to import US grain. This is the first year of drought reduced supplies without CWB management.



David Walker
Edmonton, AB, CA

