

Crop and Related Prices, Can or US\$/tonne					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	Jul	425.31	429.45	243.80	Soybeans	Jul	636.50	626.58	562.37
HRW Wheat	Jul	453.88	460.31	225.33	Soya Meal	Jul	392.16	389.99	358.78
HRS Wheat	Jul	481.07	469.96	266.95	Soya Oil	Jul	1,754.28	1,784.26	1,451.13
CWRS Wheat	Spot	562.34	584.58	309.24	Canola	Jul	1,187.80	1,171.30	887.40
CPS Wheat	Spot	543.60	552.48	284.30	Crude Oil(WTI)	Jul	115.13	110.28	65.54
Corn	Jul	305.99	306.58	258.55	Dollar Index	Sep	101.26	103.18	90.02
Oats	Jul	456.33	397.32	244.78	S&P 500	cash	4,133	3,901	4,212
					Canola	Nov	1,076.20	970.20	714.20
					SRW Wheat	Dec	431.19	433.29	247.93
					Corn	Dec	287.39	288.17	214.75

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 mixed with spring wheat supported by continued delays in seeding. The reality of a humanitarian shipping corridor for wheat in the Black Sea faded. Corn prices were also supported by seeding delays, but this was offset by less than encouraging demand. Soybean prices continue to be supported by positive crush margins.

NEWS: The Prairie provincial crop reports indicate delays in seeding.

For MB, as of May 24: Although for the moment soils are drying out, seeding is only 10 percent completed compared to a 77 percent 5-year average completion rate.

For SK, as of May 23: Seeding 52 percent complete compared to 86 percent last year and a 78 percent 5-year average. Cropland topsoil moisture continues to improve at 58 percent adequate compared to 80 percent last year and 78 percent the year before.

For AB, as of May 24: Seeding advanced to 73 percent complete up from 46 percent last week and a 5-year average of 77 percent. Rain was extremely variable leaving many areas still dry.

US May 22 crop progress reports indicated spring crop development continues behind average particularly for spring wheat. Planting was reported at 72, 50 and 49% complete for corn, soybeans and spring wheat, behind 5-year averages of 79, 55 and 83%.

Overall US winter wheat condition was up 1 percentage point at 28% good and excellent, 22 points below a 5-year average, suggesting that general rains three weeks ago did little to improve harvest prospects.

OPINION: The recovery in wheat prices this year is probably regarded by most farmers as sufficient to offset recent increases in past production costs and may be even the same for 2022 increases. For the press and media, it is suddenly newsworthy. But for this market analyst it has taken a little understanding. The world wheat stocks use ratio, a measure of market condition, has not tightened significantly. The ratio remains in the mid thirties which prior to about 2017 would have indicated a condition of surplus supplies.

But over the last 10 years or so China has been accumulating massive reserve supplies of grain which in the case of wheat amount to almost a year of Chinese consumption. If China is factored out of world data, a tightening supply situation is apparent with the stocks use ratio dropping below 20. Why China has appeared to hoard grain stocks the way it has remains a mystery. This is in marked contrast to India the other big producer and consumer of grain.

It also needs to be related that the USDA data is extrapolated from limited production and consumption data. And it is well within the realm of possibility that even the Chinese do not know how much grain they actually have in store. The SWAG – scientific wild ass guess, on this is that, if the grain is not where it is supposed to be, it is very inconvenient ahead of the 20th Chinese Congress. Hence the Chinese are unlikely to assist with the humanitarian crisis by exporting this grain which on paper could replace both Ukrainian and Russian wheat exports for almost two years.

World Wheat Stocks -Use Ratio Summaries

