

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					26-Aug-22
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	288.35	277.42	264.01	Soybeans	Sep	589.83	547.03	499.53	
HRW Wheat	Sep	324.54	310.39	261.71	Soya Meal	Sep	433.71	407.04	321.36	
HRS Wheat	Sep	330.14	321.42	344.11	Soya Oil	Sep	1,561.37	1,503.83	1,351.48	
CWRS Wheat	Spot	383.33	364.56	392.85	Canola	Nov	856.40	818.40	911.70	
CPS Wheat	Spot	363.50	355.49	330.70	Crude Oil(WTI)	Oct	93.14	90.44	68.72	
Corn	Sep	263.27	246.44	219.67	Dollar Index	Sep	108.73	108.09	93.53	
Oats	Sep	262.61	271.53	335.88	S&P 500	cash	4,087	4,230	4,508	
Data in red are 12-month highs, blue 12-month lows, green revised					SRW Wheat	Dec	311.22	285.59	269.15	
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn	Dec	261.50	245.36	218.00	

**COMMENT:** Almost all crop prices were higher this week. They were supported by larger than expected US prevent plant program (unplanted) areas, continuing reports of drought in China and Western Europe, and persisting challenges with Black Sea shipping. The impact of improving US Mid West weather was somewhat offset by reports of than ideal crop development to date.

**NEWS:** Ag Can's August revisions to its Outlook for Principal Field Crops published on Monday included limited adjustments to the current crop year but some retrospective adjustments in the 2021-22 supply situation prompted mainly by Canadian Grain Commission (CGC) Producer Deliveries and exceptionally low level of farm crop stocks.

The biggest adjustment was a massive two million tonne, 45 percent increase in the 2021-22 corn imports estimate to a level three and half times the five-year average and 57 percent above the previous record for corn imports in 2002-03 - another drought year. Against this on the use side both corn and barley exports and ending stock estimates were both raised. With a recovery in barley production this year, more normal conditions are expected for 2022-23.

Equally striking was the result of "statistically impossible" durum deliveries into CGC licensed facilities during the 2021-22 crop year. This was temporally balanced statistically by negative residual use of about 100Kt, down from a positive 400Kt forecast a year ago. This will need to be corrected by retrospective StatsCan production and/or farm stock estimates. The latter is a better bet as farmers are known to manage cash flow by holding over crops - particularly durum when durum premiums are narrow which was most definitely not the case in the last crop year. For some reason these hold over do not seem to be captured by StatsCan's surveys.

Ag Canada's all crop 2021-22 ending stocks - both on-farm and commercial, estimate was raised by 9 percent to 8.8 million tonnes, which was 29 percent below beginning stocks, and 37 percent below a five-year average of this measure. As StatsCan's first 2022 crop production estimates are to be published next week, revisions to production forecasts were

limited - just small adjustments in durum and barley output. But with increases in imports and the higher ending stocks from last year, supplies were raised by almost three percent. Export and domestic use projections were also raised by a small amount. As a result ending stocks projections were increased by 2 percent, 27 percent above the revised beginning stock estimate but 20 percent below a five-year average. This suggests some relief from the very tight supply situation that has exists since last year's drought.

**OPINION:** The late Donald Rumsfeld, former US Secretary of Defense, coined the phrase "unknown unknowns". The Chinese Agriculture Minister announced last week that the southwest region of China, believed to be a rice growing area, is having the hottest and driest summer since records have been kept - 61 years. This announcement was likely designed for domestic consumption, so the international implications are unknown. On paper China has very substantial rice reserves - the USDA estimates 70 percent of annual consumption, double that for the world as a whole. But it is unknown how accurate that information is. Importantly, very much about rice beyond Wikipedia is unknown to this observer. Thus, what is known is a fraction of a fraction of a fraction, and those fractions are all small. Then, there are those Rumsfeld unknown unknowns

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