



Crop Market Summary

Week ending Nov 18, 2022

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					18-Nov-22
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Dec	295.15	299.00	302.40	Soybeans	Jan	524.80	532.79	464.17	
HRW Wheat	Dec	343.28	346.68	306.72	Soya Meal	Jan	372.30	369.57	337.28	
HRS Wheat	Dec	349.62	347.51	371.21	Soya Oil	Jan	1,603.70	1,696.96	1,282.25	
CWRS Wheat	Spot	442.07	431.15	455.13	Canola	Jan	857.10	883.20	1,005.60	
CPS Wheat	Spot	420.92	413.96	413.99	Crude Oil(WTI)	Dec	79.93	88.99	76.11	
Corn	Dec	262.88	259.04	224.69	Dollar Index	Dec	106.87	106.20	96.04	
Oats	Dec	256.94	250.94	495.39	S&P 500	cash	3,947	3,945	4,702	

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 pressured all week by the increasing likelihood that the Black Sea shipping agreement would be extended for a further 120 days only briefly interrupted by the news of an errant missile landing in Poland. Reporting of a 150,000 tonne sale of US spring wheat to Iraq supported prices for this class of wheat.

For corn, positive export sales news was enough to offset the impact of the Black Sea shipping extension. US weekly soybean sales were the largest in two years and well above expectations. Against this vegetable oil demand was assessed as being weaker.

NEWS: The Canadian Grain Commission data for the week ending November 13 indicate movement has slowed somewhat over the last few weeks possible due to colder weather. But it has been ahead of last week when supplies were limited and West Coast movement had to contend with extensive flood damage. Primary elevator stocks have tightened somewhat particularly for wheat which were an unusually high level a couple of months back.

The USDA crop progress report for November 13 indicated that the condition US winter wheat crop has improved by a further two percentage points to 32 percent of reports good or excellent. This compares with 46 percent last year at this time and a five-year average of 50 percent. With winter conditions undoubtedly moving south it seems most unlikely that the conditions of the US wheat crop will approach anything close to normal before the crop goes into dormancy. Long term averages suggest assessment of crop conditions do not improve over the winter and that was certainly the case last winter.

OPINION: Every year the USDA publishes long term, 10-year, agricultural outlook projections - just tables in the fall, with further commentary the following February. It does this for the benefit of their policy makers and they are referred to as **Base Line Projections**. Based on a multitude of assumptions with the base line reflecting situation between August and October of the year of the projections. They also assume no change to US government programs.

In the short term they are outdated before they are published as they are based on conditions before the most recent USDA

monthly updates. In the longer terms they do provide some insight even if it is very tentative.

They are also based on a host of non-agricultural, macro-economic, assumptions which are particularly interesting this year as general economic conditions appear so uncertain. The projections fearlessly predict that inflation will be back around two percent by 2024 and stay that way thereafter but at the expense of bank prime interest rates of around 5 percent for the period compared to an average of 3.25 percent in 2021. US Gross Domestic Product is placed at just below two percent for this period, while that for Canada slightly above.

For wheat, yield related growth in production with relatively flat use expectations is forecast to result in about a one third increase in ending stocks over ten years. Prices are seen settling onto support levels by the middle of the period. For corn, some growth in exports is expected to offset increased output. But as with wheat prices are expected to settle onto program support levels. For soybeans this long term outlook is very similar to that for corn.

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