



# Crop Market Summary

Week ending Dec 09, 2022

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					9-Dec-22
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	266.12	279.62	288.53	Soybeans	Jan	545.19	528.56	462.88	
HRW Wheat	Mar	306.08	319.95	295.97	Soya Meal	Jan	427.81	384.72	332.74	
HRS Wheat	Mar	331.25	338.50	375.16	Soya Oil	Jan	1,323.04	1,437.91	1,183.70	
CWRS Wheat	Spot	431.09	440.00	468.54	Canola	Jan	872.40	849.30	1,008.00	
CPS Wheat	Spot	404.30	417.13	420.09	Crude Oil(WTI)	Jan	71.85	80.17	71.24	
Corn	Mar	253.53	254.42	232.27	Dollar Index	Mar	104.48	104.34	96.07	
Oats	Mar	216.57	231.97	462.32	S&P 500	cash	3,957	4,067	4,698	

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:** Wheat prices were down again this week, continuing a trend that has seen the loss of about 20 percent of value since early October. Friday's USDA report was mildly bullish but this was offset by a disappointing US export sales report. This week's corn sales data was within the range of trade expectation but ending stock forecasts in Friday's USDA report above pre-report expectations weighed. Soybean prices advanced supported by improved export demand. Protein meal prices were higher. But vegetable oil values were lower with a weak crude oil market and disappointing US EPA proposed volume targets for biofuels last week.

**NEWS:** The USDA December revisions to its global supply and demand(S&D) forecasts are of more than usual interest this year as the impact of the hostilities in Ukraine are beginning to unfold.

With no fresh USDA supply related reports, adjustments to US domestic S&D forecasts were limited to minimal revisions to use data. For wheat adjusts to export forecasts for various classes of wheat were offsetting and with no change to domestic use, ending stocks were unchanged. They are about three percent below beginning stocks. For corn components of domestic demand were unchanged but in view of slow sales to date the export forecast was lowered and accordingly ending stocks raised by six percent but still nine percent below beginning stocks. US soybean S&D projections were unchanged with ending stocks sitting at one percent below beginning stocks. Anticipated adjustments to US biofuel programs are expected to result in lower soybean oil use for this purpose which together with lower exports is expected to result in an increase in ending stocks for soya oil.

The global outlook for wheat is for reduced supplies lower consumption and a small reduction in ending stocks, now three percent above beginning stocks. Lower estimates for Canadian and Argentinian harvest more than offset an increase in Australian output. With the Black Sea shipping agreements holding, Ukraine and Russian exports were raised. Despite a relatively tight global wheat supply situation, the USDA still expects the massive Chinese ending stocks to increase slightly this year.

The global coarse grain production forecast is reduced and only partially offset by lower consumption expectations. Ending stocks projections are slightly lower and three percent lower than beginning stocks. Ukraine corn, in contrast to its winter wheat, was seeded after the onset of hostilities and as a result production is down sharply. The harvesting of both Ukraine and Russian corn harvests have been plagued by wet weather. As with wheat there is no evidence that the Chinese will share their accumulated corn stocks with the rest of the world in a significant manner.

The USDA's forecast for oilseed production was lowered as an increase in anticipated soybean output was offset by lower forecast for most other oilseeds. The forecast for ending stocks was lowered slightly and is six percent above beginning stocks.

**Correction:** Last week we indicated less favorable economics for biodiesel production by failing to credit the production of a gallon of biodiesel with about \$3.75 worth of by product soymeal. This substantially reduces but does not eliminate the support needed by government programs.

**OPINION:** We cannot but note that crop prices are below year ago levels and that energy prices, as reflected in the crude oil market and a major component of retail food costs are now not much above year ago levels. We can perhaps expect to see a break in retail food prices fairly soon.

David Walker, Edmonton, AB, CA 

