

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					13-Jan-23
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	273.28	273.19	273.19	Soybeans	Mar	561.36	548.40	502.29	
HRW Wheat	Mar	310.03	305.71	274.94	Soya Meal	Mar	432.08	433.26	366.67	
HRS Wheat	Mar	333.45	331.34	326.38	Soya Oil	Mar	1,390.28	1,392.71	1,286.44	
CWRS Wheat	Spot	432.24	434.60	419.03	Canola	Mar	840.00	861.80	982.90	
CPS Wheat	Spot	402.59	406.50	399.60	Crude Oil(WTI)	Mar	80.14	78.57	83.35	
Corn	Mar	265.73	257.47	233.45	Dollar Index	Mar	101.95	103.65	95.19	
Oats	Mar	236.02	223.22	394.24	S&P 500	cash	3,991	3,895	4,639	
					SRW Wheat	Dec	286.70	285.50	268.41	
					Corn	Dec	235.62	232.66	219.77	
					Canola	Nov	819.00	835.90	800.30	

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

COMMENT: Wednesday's USDA reports were on balance supportive of both grain and oilseed prices. Further downward revisions in early Argentinian crop forecasts were greater than the increase in those for Brazil which was on balance positive.

NEWS: Three USDA crop related survey reports were published on Wednesday. The **final 2022 production estimates** for corn and soybeans were 348.8M and 116.4M tonnes, respectively, down 9 and 4 percent from 2021, and down 2 percent from the earlier 2022 estimates. Corn yields were 2 percent below the record 2021 level and harvested area 8 percent lower. Soybean yield was down 4 percent from 2021 with harvested area about unchanged. The corn yields estimate was above average pre-report expectations but the cut in harvested area was not anticipated. Soybean yield estimates were below average pre-report expectations.

Dec. 1 US stocks of corn, soybeans and all wheat were placed at 274.6M, 82.2M and 34.8M tonnes, respectively, down 7, 4 and 7 percent from a year earlier. All three estimates were below pre-report expectations.

Last fall's **US winter wheat area** was surveyed at 15.0M hectares, up 11 percent from 2022. The pre-report expectation was for the winter wheat area to be up only 2.6 percent.

The market implications of these three reports and other market factors were summarized in USDA's January revision of its monthly Supply and Use forecasts.

Revisions to the **US wheat** data included increased beginning stocks, greater domestic feed use, and lower ending stocks – 1 percent lower and 19 percent below revised beginning stocks. Globally the USDA raised its wheat projections for supplies, exports, consumption, and stocks and this included adjustments for the Black Sea region. Adjustments were minor in aggregate with ending stocks up fractionally and now 3 percent below beginning stocks. China is still expected to hold over 50 percent of world ending wheat stocks.

Adjustments to **US corn** data included reduced production, most domestic uses, exports and, with the supply side adjustments more than offsetting use, the ending stocks forecast was reduced. It was lowered one percent and now stands 10 percent below beginning stocks. The USDA **global coarse grain** output estimate was lowered by less than one percent with reduced

expectations for Argentinian output partially offset by increased Brazilian and Chinese harvests. With a lower use forecasts ending stocks were down only marginally from last month's forecast and are 3 percent below beginning stocks. The USDA data indicates that China will hold 64 percent of global coarse grain ending stocks.

For **US soybeans**, with the lower production estimate only partly offset by reduced exports, ending stocks are projected about 5 percent lower than a month ago and now 23 percent below beginning stocks. For **global oilseed**, a reduction in Argentinian soybean output was somewhat offset by increased expectations for Brazil and China and an upward revision in Brazilian beginning stock. Adjustments to use and ending stock forecasts were minimal. Ending stocks are now 4 percent above the revised beginning stocks estimate.

Canadian Grain Commission data for the week ending Sunday January 8 indicated that crop movement got off to a much better start to the new calendar year than it did last year with rather brutal weather and diminishing farm supplies.

Farmer deliveries of 1.3 million tonnes were nearly four times the corresponding week last year and 15 percent above the prior five-year average.

OPINION: Hostilities in the Black Sea region were initially positive for international grain prices but once a shipping agreement had been settled between the combatants, the premium was lost, particularly for wheat. That wheat prices are at a historically low premium to corn may paradoxically reflect the Russian need to convert a large wheat crop into foreign currency.

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