

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					25-Aug-23
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	218.08	225.33	288.35	Soybeans	Sep	511.11	500.73	589.83	
HRW Wheat	Sep	277.05	276.77	324.54	Soya Meal	Sep	383.54	366.40	433.71	
HRS Wheat	Sep	285.04	294.60	330.14	Soya Oil	Sep	1,471.20	1,505.59	1,561.37	
CWRS Wheat	Spot	352.77	355.48	383.33	Canola	Nov	811.30	800.50	856.40	
CPS Wheat	Spot	330.09	329.72	363.50	Crude Oil(WTI)	Oct	78.14	80.66	93.14	
Corn	Sep	185.32	188.67	263.27	Dollar Index	Sep	104.02	103.29	108.73	
Oats	Sep	310.11	284.33	262.61	S&P 500	cash	4,356	4,372	4,087	
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					<i>SRW Wheat</i>	<i>Dec</i>	<i>238.38</i>	<i>234.79</i>	<i>311.22</i>	
Data in red are 12-month highs, blue 12-month lows, green revised					<i>Corn</i>	<i>Dec</i>	<i>192.12</i>	<i>194.08</i>	<i>261.50</i>	

**COMMENT:** Wheat prices were mixed relative to a week ago but generally lower. Harvest prospect for North American spring wheats continue to slip, but overseas output expectations seem on balance to have improved. Corn prices were lower with disappointing weekly sales data and the current crop now sufficiently mature not to be affected much by weather. Soybean prices were higher supported by higher meal values. Positive canola crush margins resulted in near record 2022-23 domestic use.

**NEWS: Prairie Provincial Crop Reports**, as of mid week, indicated harvest generally at or ahead of average - 13 and 21 complete for MB and SK and started in southern AB regions. August revisions to **Ag Canada's Outlook for Principal Field Crops** published last Friday included for the 2022-23 crop year limited trade related adjustments. For the 2023-24 crop year, some revisions in yield expectations were made in advance of the August 28 publication of StatsCan's 2023 model-based July production estimates.

In aggregate a recovery of the supply situation following the 2021 drought is not anticipated. Total ending stocks for the current crop year are forecast to be about the same as those of the last two years.

For 2022-23 minor increases in export expectations for durum and wheat and cuts for canola and peas were made. Offsetting changes in corn trade were also made. None of these will likely have an impact on immediate outlook but see canola **OPINION**. For 2023-24 downward revisions in yield estimates for durum, wheat, oats, peas and lentils were seen as most affected by dry conditions in the southern Prairies. From an outlook perspective the resulting cut in durum supplies together with those for northern tier US states will have a material impact on the world g durum outlook. The same situation may apply to markets for higher protein hard red spring wheats. Uncertainty over Asian politics restricts any clear expectations for pulse markets. Oat yields were cut, for a second successive month, but supplies still appear adequate for typical US needs, the major market for Canadian oats. The oversupply situation has been eroded.

Rather surprisingly barley export expectations have not been cut to reflect the return of Australian competition in the Chinese markets and a rather tight domestic supply situation.

**OPINION:** The implication of Ag Can's August Outlook for canola for 2022-23 is complicated by a negative feed and residual number. This reflects the reality of errors in other canola data. As much of the other data is developed from Canadian Grain Commission (CGC) administrative data and has a long history of being accurate, the challenge is with StatsCan's production and/or on farm stocks estimates.

The combination of underestimates of production or overestimates of farm stocks appears to run to about a million tonnes. As the figure is so large it is likely to be the result of errors over several years with retrospective adjustments to prior final estimates necessary.

A somewhat similar error is apparent in durum data. AgCan, using StatsCan data, suggests a durum carry over of 240k tonnes of which 220k is known to be in CGC licensed facilities leaving just 20k on farm. Yet 42k tonnes were delivered by farmers in the first two weeks of the crop year.

The need for retrospective adjustment to final data is most unfortunate as it creates doubt over future estimates and projections.

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