

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					22-Dec-23
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	226.43	231.21	285.13	Soybeans	Jan	477.30	483.46	543.44	
HRW Wheat	Mar	226.43	236.26	321.14	Soya Meal	Jan	362.63	368.08	413.03	
HRS Wheat	Mar	262.54	268.41	341.99	Soya Oil	Jan	1,069.94	1,102.13	1,453.56	
CWRS Wheat	Spot	333.71	334.94	439.46	Canola	Jan	645.20	645.20	868.70	
CPS Wheat	Spot	286.88	287.60	416.03	Crude Oil(WTI)	Mar	73.88	71.52	76.69	
Corn	Mar	186.21	190.15	259.44	Dollar Index	Mar	101.43	102.24	104.09	
Oats	Mar	232.94	243.48	235.64	S&P 500	cash	4,754	4,713	3,836	

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: With challenges faced at the Panama Canal, on the Red Sea and at the US-Mexico boarder, lower prices might have been expected. The best-case scenario is that resolutions of these situations will be positive impact on prices. Additionally improved conditions, actual and forecast, for crops in Brazil and the US Great Plains weighed on values.

NEWS: The Ag Canada's December revisions to its **Canadian crop supply and use forecasts**, released last Friday, included adjustments for Statistics Canada's November estimates of 2023 production which added about 5 million tonnes or about 6 percent to aggregate crop production. This was balanced mainly by upward adjustment of exports - raised 2.2 million tonnes, and of ending stocks - raised, 1.6 million tonnes, with smaller adjustments of domestic use and imports. In aggregate the adjustments were not unduly meaningful in outlook terms, with the ending stock forecast still 3 percent below beginning stocks and on a par with 2022 following the 2021 drought. The impact, however, varied between crops. **Wheat** contributed the most to the production adjustment, but with the expectation that almost all of the increase in supplies will be exported there is little material change in outlook. The reality here is that the increase in Canadian supplies is not very meaningful in an international context.

Production of **durum** was not revised much.

Most of the upward revision in **barley** supplies is expected to result in increase domestic feed use easing the very tight supply situation at the end of the crop year. The increase in feed use is expected to result in reduced US corn imports and the feed use of Canadian wheat.

The added supplies of **oats** are seen as being destined for export and ending stocks in about equal amounts. Offshore movement of oats to date this crop year are above year ago levels.

Close to a million tonnes was added to **canola** supplies with Ag Canada expecting about half being used by the crushing industry and half added to ending stocks which are now forecast to be at about the same level as beginning stocks.

Almost all the 11 percent increase in **pea** supplies is expected to be added to ending stocks which are forecasted to be the largest since 2018. Pea exports are keeping pace with a year ago but this is not forecast to be sustained for the balance of the crop year even with the increased supplies.

Lentil exports are expected to increase more than the revision in the Statistics Canada output estimate. No explanation of exports increasing more than supplies was provided.

With the Christmas break close at hand there is a last look at regular crop movements for a month or so.

For the week ending December 17 **cumulative Canadian crop exports** (with latest full crop year Ag Canada forecasts in brackets) were running in percentages of last crop year for wheat 109 (97), durum 63(63), oats 120(94), barley 57(72), corn 88(70), canola 72(94) soybeans 99(114), peas 93(74) and lentils 75(73) For the week ending December **cumulative US export business** - sales plus movement, (with latest full crop year USDA forecast in brackets) were running in percentages of last crop year for all wheat 103(96), corn 137(126) and soybeans 83(88).

OPINION: A third year of statistically tight Canadian crop supplies – less than 11M tonnes, is unusual. After a drought-shortened crop the recovery to above 13M tonnes has in the past occurred within two years. The third year was the result of a second short crop. Production forecasts prior to the spring, based on average yields and acreages would have resulted in a 2023 crop 7M tonnes larger than the actual harvest allowing for a recovery in supplies and larger exports.

Wishing you a Merry Christmas.

David Walker, Edmonton, AB, CA

