



# Crop Market Summary

Week ending Jan 26, 2024

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	220.56	217.98	275.58	Soybeans	Mar	444.33	445.80	554.65
HRW Wheat	Mar	229.56	236.26	319.40	Soya Meal	Mar	316.60	323.40	429.54
HRS Wheat	Mar	258.40	255.83	338.60	Soya Oil	Mar	1,034.67	1,034.00	1,336.49
CWRS Wheat	Spot	337.88	328.20	429.16	Canola	Mar	622.20	628.30	808.00
CPS Wheat	Spot	300.14	287.50	406.39	Crude Oil(WTI)	Mar	77.96	73.39	79.48
Corn	Mar	175.68	175.38	268.88	Dollar Index	Mar	103.25	103.11	101.73
Oats	Mar	235.86	246.24	251.72	S&P 500	cash	4,886	4,837	4,078
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>235.35</i>	<i>233.78</i>	<i>286.33</i>
Data in red are 12-month highs, blue 12-month lows, green revised					<i>Corn</i>	<i>Dec</i>	<i>187.49</i>	<i>189.36</i>	<i>268.88</i>
					<i>Canola</i>	<i>Nov</i>	<i>631.30</i>	<i>636.20</i>	<i>793.80</i>

**COMMENT:** Wheat prices generally moved higher this week under the perception of improving demand conditions and against better soil moisture in the US Southern Great Plains. But on Friday much of the gains were abruptly lost probably indicating the gains were rather fragile. Reports of adjustment to South American soybean and corn crop conditions and production estimates rumble on. Demand reports were less favourable then for wheat. Corn prices were about unchanged with oilseeds lower. Vegetable oil prices undoubtedly benefitted from higher crude prices and Red Sea hostilities.

**NEWS:** Agriculture Canada’s first Outlook for Principal Field Crops for the next crop year, 2024-25, suggests a fourth year of relatively tight total crop supplies. The forecast indicate improved - close to or above five-average, yields and little change in seeded area for most crops. Lower carry-over stocks from this year, however, mean supplies will be only about two percent above this year’s relatively tight level. Further small increases in forecasts for export and domestic use suggests that any build in ending stocks will be quite limited. Six percent is suggested which is about nine percent below the 5-year average.

Only for oats, at 27 percent, is seeded area - the most effective way for farmers to fine tune output, forecast to be adjusted by greater than 10 percent. For most crops adjustments are less than five percent. Oat output is settling back to normal supply demand relationships after the 2021 drought resulted in incentive prices with the expanded area in 2022 and reduced area in 2023.

Supply adjustments are expected to be most evident for crops grown largely in the most drought effected areas last year and for crops most sensitive to limited soil moisture. Durum yields are expected to be 32 percent above last year, lentils 23 and peas 12. Further all yields at this early date are close to longer term levels.

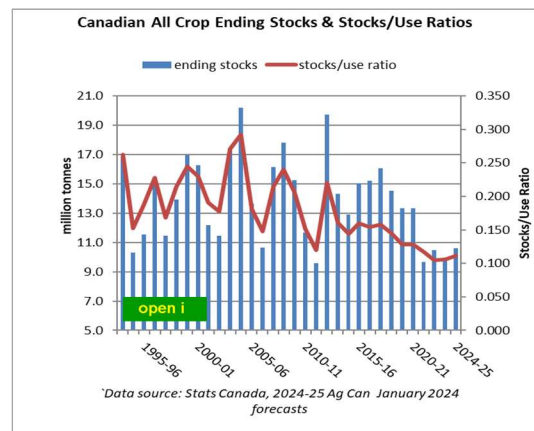
Production and supplies for all crops except flax and soybeans are close to longer term averages. And this no doubt reflects the

reality of relatively stable supply and demand balances for several years for most crops.

**OPINION:** While not to detract from the validity and value of Ag Canada’s January crop outlook based on the current situation, it goes without saying that the situation could and almost certainly will change as the crop year approaches and passes. And, of course, conditions for crop development here, there and everywhere, are likely to be the most likely factor to change outlook for any or all crops. As yields are based on average trends, so in theory there is likely an even chance for prospects to rise or fall.

The elephant in the room, however, is shipping conditions on the Black Sea. To date it has been possible for the movement of Russian, as opposed to Ukrainian, crops to be virtually unimpeded. This has been reflected in the general downward trend in wheat prices as a change in this situation has been discounted. But the danger arising from purposeful or inadvertent action still exists.

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