



Crop Market Summary

Week ending Feb 16, 2024

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index					16-Feb-24
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	205.95	219.27	281.28	Soybeans	Mar	430.73	434.68	561.17	
HRW Wheat	Mar	208.52	236.26	333.08	Soya Meal	Mar	313.51	314.60	452.76	
HRS Wheat	Mar	240.67	252.06	341.63	Soya Oil	Mar	1,005.12	1,041.94	1,356.11	
CWRS Wheat	Spot	317.79	329.44	431.40	Canola	Mar	577.40	586.90	828.40	
CPS Wheat	Spot	274.34	286.55	411.33	Crude Oil(WTI)	Mar	78.97	76.81	76.33	
Corn	Mar	163.97	168.89	266.82	Dollar Index	Mar	104.09	103.94	105.13	
Oats	Mar	248.51	243.32	235.86	S&P 500	cash	5,033	5,028	4,079	
For price specs. go to: www.open-i.ca/PriceSpec.htm					SRW wheat	Dec	214.86	228.27	295.33	
Data in red are 12-month highs, blue 12-month lows, green revised					Corn	Dec	180.60	184.34	266.82	
					Canola	Nov	593.00	602.10	800.30	

COMMENT: Almost all crop prices this week were lower with US wheat prices down over 5 percent. Prices slumped before, during and after the USDA’s outlook conference. Further, South American crop developments appeared to weigh on prices. Canola futures trading volume continues unusually high.

NEWS: The USDA published its first 2024-25 crop specific Grains and Oilseed Outlook, prepared for its **2024 Agricultural Outlook Forum**, this week. Almost all of this information is based on economic analysis, trend yields and such. It did not include detailed global supply and demand assessments which will be available on May 10 with the USDA’s regular monthly updates.

For the three major crops the first element of the projections is planted area. The USDA anticipates only a small decrease in overall planted area resulting from less favourable crop prices noting that costs are also lower than a year ago. The later factor likely enhancing the probability of trend yields.

A small swing from planting corn to soybeans and reduced wheat planting are anticipated. But a recovery in yields suggest only a small reduction in corn output, record soybean output and the largest wheat harvest since 2019. After adding beginning stocks, supplies of all three crops are above this year’s level.

The increase in supply of these crops were not matched by increase in use. For wheat a small cut in feed use is offset by an increase in export expectations. For corn some increases in feed, ethanol and export use are anticipated. For soybeans increased use for biodiesel and export are forecast.

In the case of wheat ending stocks for 2024-25 are projected 17 percent above beginning stocks and slightly above a five-year average. For corn ending stocks are projected 17 percent above beginning stocks. This would result in a stocks-to-use ratio of 17.2 the largest such measure of market prospects since 2005/2006. For soybeans ending stocks are projected 38 percent above beginning stocks and the highest stocks-to-use ratio since 2019/20 at nearly 10 percent.

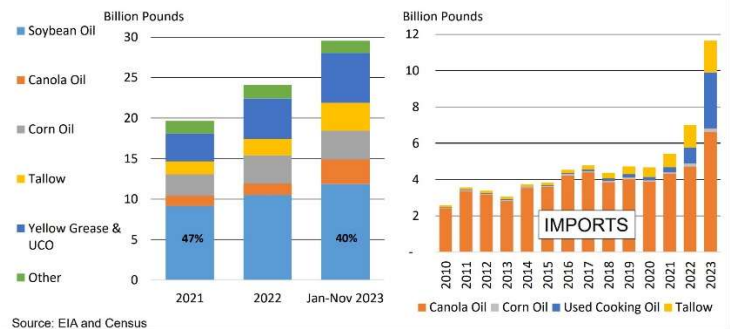
While the increase in stocks for these crops was generally anticipate and resulted in lower prices in advance of the publishing of this data, prices were further eroded after the publication by confirmation of the expectations.

OPINION: Canadian content in the USDA’s Agricultural Outlook Forum was implicit in a graphic, title “**Biodiesel production drawing in feedstocks and imports**”, used by their Chief Economist in his conference opening presentation. It illustrated that canola was the principal imported vegetable oil used in US biodiesel production and such use was increasing in quantity fi not in proportion of total imports.

As copy of the Chief Economist’s presentation does not appear to be available online, it is not known what his point may have been. USDA information indicates that in 2022 almost all US canola oil imports were from Canada but 70 percent of these imports were edible as opposed to industrial product. It would unfortunate if this was misunderstood and resulted in an adversarial environment for Canadian canola oil business in the US based on the belief that it was freeloading on US subsidization of the biodiesel industry.

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Biodiesel production drawing in feedstocks and imports



Source: EIA and Census

While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.