

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	15-Jan-21 Year ago
SRW Wheat	Mar	248.21	234.70	209.62	Soybeans	Mar	520.57	505.14	341.63
HRW Wheat	Mar	236.26	218.53	181.61	Soya Meal	Mar	420.24	398.78	272.69
HRS Wheat	Mar	235.62	223.50	205.77	Soya Oil	Mar	922.67	961.03	735.27
CWRS Wheat	Spot	283.39	270.44	239.52	Canola	Mar	687.80	665.20	481.00
CPS Wheat	Spot	262.74	249.24	215.45	Crude Oil(WTI)	Mar	52.35	52.29	58.63
Corn	Mar	209.24	195.36	153.24	Dollar Index	Mar	90.73	90.14	97.37
Ethanol	Mar-n	43.35	40.50	36.53	S&P 500	cash	3,779	3,803	3,325
Oats	Mar	237.32	231.97	202.14	SRW Wheat	Dec	235.80	235.80	213.12
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn	Dec	181.09	173.42	158.55
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola	Nov	554.10	545.20	497.80

COMMENT: Almost all agricultural commodity markets were higher and at at least 12-month highs. Generally positive USDA reports mid week, uncertain South American crop conditions and continued positive sales indications even at higher prices continue to be supportive. But vegetable oil values were pressured by improved Malaysian palm prospects.

NEWS: Three USDA survey reports were published on Tuesday. The **final 2020 production estimates** for corn and soybeans were 360.2M and 112.5M tonnes, up 4 and 16 percent from 2019 output but down 2 and 1 percent from the previous 2020 estimate. These estimates were towards the bottom of the range of pre report expectation for corn and slightly below average expectations for soybeans.

Dec. 1 US stocks of corn, soybeans and all wheat were placed at 287.6M, 79.8M and 45.4M tonnes, respectively, about 100, 90 and 91 percent of year earlier levels. The corn estimate was below the range of pre report expectations, soybeans slightly above and wheat at the average of expectations.

Last fall's **US winter wheat area** was surveyed at 12.9M hectares, up 5 percent from 2019. The area was at the top end of the range of pre report expectations.

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 **US wheat** data were limited to an upward adjustment to feed use and a 5 percent cut in ending stocks which now stand 19 percent below beginning stocks.

For **world wheat** a small increase in supplies and anticipated increase in use resulted in a 1 percent reduction in projected ending stocks, now about 7 percent above beginning stocks but still at a record level. The USDA noted that China and India held, respectively, 51 and 10 percent of these stocks.

The lower production estimate for **US corn** was partially offset by lower feed, ethanol and export use expectations. But the ending stock projection was cut by 9 percent which is now 19 percent below the beginning stocks estimate.

The USDA **global coarse grain** forecasts for production and use were both lowered by less than one percent and ending

stocks were slightly more than one percent lower. But ending stocks are now placed about five percent below beginning stocks.

For **US soybeans** the main adjustments made by the USDA were cuts in supply and domestic crush and an increase in exports. Together these resulted in a 20 percent cut in the ending stocks forecast which is about 75 percent below beginning stocks and the lowest level since 2014. The average of pre report expectations were very close to this.

Adjustments to **global oilseed** data are in total minor, with offsetting adjustments by crop and region. Ending stocks were revised lower by about one percent and are about 13 percent below beginning stocks. Soybean stocks which are about 90 percent of total oilseed stocks are forecast to be the lowest since 2016.

OPINION: The emergence of the current bull market for oilseeds generally and US soybeans in particular have been relatively abrupt. Adverse growing conditions in the summer of 2019 resulted in a disappointing harvest and over 16 million tonnes being cut from ending stock forecasts between Jun. and Oct. Between Aug. 2020 and Jan. 2121 a further 8 million tonnes was cut from US output and almost 4 million tonnes was added to use forecasts, resulting the scramble for supplies.



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