

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	22-Jan-21 Year ago
SRW Wheat	Mar	233.14	248.21	210.73	Soybeans	Mar	481.99	520.57	331.43
HRW Wheat	Mar	225.33	236.26	178.58	Soya Meal	Mar	382.46	420.24	270.60
HRS Wheat	Mar	224.87	235.62	201.21	Soya Oil	Mar	931.93	922.67	705.94
CWRS Wheat	Spot	281.38	261.01	243.54	Canola	Mar	649.60	687.80	469.50
CPS Wheat	Spot	262.74	262.74	218.07	Crude Oil(WTI)	Mar	52.24	52.35	54.21
Corn	Mar	197.04	209.24	152.45	Dollar Index	Mar	90.20	90.73	97.64
Ethanol	Mar n	41.61	43.35	35.35	S&P 500	cash	3,846	3,779	3,287
Oats	Mar	223.70	237.32	196.63	SRW Wheat	Dec	243.34	243.34	215.41
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>					Corn	Dec	169.38	181.09	156.78
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola	Nov	544.20	554.10	490.00

**COMMENT:** All agricultural futures price were lower over the week except for soya oil. Losses were particularly abrupt on Friday when reports of improved weather conditions for South American soybean and corn crops and forecasts for more of the same weighed on prices far more than relatively favourable US export demand data supported them. Profit taking was cited widely as the cause of much of the decline. As wheat prices appear to have been buoyed over the last few weeks by higher corn and soybean values, so they were pressured this week. With relatively stronger vegetable oil markets, losses in canola were less severe. Prices for Prairie wheat are surveyed on Thursday. Hence, they do not reflect Friday's losses and under state prices declines over the week.

**NEWS:** With above average temperatures on the Prairies and no major snow events in the mountains, conditions have been relatively favourable for the movement of crops since the start of 2021. Bulk exports continue at a record pace. Crop year exports to January 17 - week 24 of the crop year, are running almost 35 percent above last year's near record pace. Movement of crops and crop products out of primary and process elevators is running 20 percent above last year and 34 percent above a five-year average. Farmer deliveries are up 17 percent from a year ago.

Encouragingly country elevator stocks are at a higher level than they have been at this time of year for several years - or ever, suggesting that the grain companies still have plenty of export commitments to meet.

All this seems a little surprising in view of the good supply of global wheat and coarse grains. The reality on this is that the Chinese hold a disproportionate share of reported ending stocks and do not seem well disposed to using them at this time.

The USDA reported export sales of 0.33M, 1.48M and 2.15M tonnes of wheat, corn and soybeans, respectively, for the week ending January 14. These were above the range of pre-report

expectations for corn and soybeans, but towards the lower end of expectations for wheat.

Outstanding sales of soybeans and corn continue to decline seasonally, still about double last year's level at this time, but only 10 percent above a pre Chinese import levy, five-year average. Interestingly sales of new crop sales have started to pick up much earlier than in previous years.

**OPINION:** The pace of Canadian crop exports is somewhat puzzling in the context of generally more than adequate global supplies of grains. Some have attributed it to consumers, in the widest sense of the word tending to hoard, while the pandemic lasts. Another take on this relates to the very large Chinese government owned stocks which appear to be very tightly held at this time. This may be different take on the same issue.



David Walker,  
Edmonton, AB, CA

