

Grain Prices, Can or US\$/tonne					Oilseeds & Other Prices, Can or US\$/tonne or index				27-Jan-23
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	275.58	272.46	288.90	Soybeans	Mar	554.65	553.55	540.14
HRW Wheat	Mar	319.40	311.59	294.78	Soya Meal	Mar	429.54	420.65	373.02
HRS Wheat	Mar	338.60	335.38	338.14	Soya Oil	Mar	1,336.49	1,366.25	1,439.01
CWRS Wheat	Spot	429.16	428.16	427.02	Canola	Mar	808.00	812.90	1,017.60
CPS Wheat	Spot	406.39	400.09	404.50	Crude Oil(WTI)	Mar	79.48	81.65	86.71
Corn	Mar	268.88	266.23	250.38	Dollar Index	Mar	101.73	101.76	97.29
Oats	Mar	251.72	240.56	438.01	S&P 500	cash	4,078	3,989	4,353
For price specs. go to: www.open-i.ca/PriceSpec.htm					SRW Wheat	Dec	286.33	284.77	288.99
Data in red are 12-month highs, blue 12-month lows, green revised					Corn	Dec	231.19	234.53	224.20
					Canola	Nov	793.80	796.90	836.20

COMMENT: Rain in Argentina was the most cited market influence this week. It appears to have pressured soybean prices more than corn prices suggesting the Argentinian crop is probably in an early August state of development in a Northern Hemisphere context – corn damaged, soybeans capable of full recovery. Weekly corn export sales were in line with expectations, soybean sales at the high end of the range of expectations. Already reports of record Australian and Russian crops were further raised but the USDA expressed doubt about the latter suggesting it was “not feasible”. Not sure where propaganda starts and finishes.

NEWS: Raising expectations for next crop year from Ag Canada’s January Outlook for Principal Field Crops published last Friday which are, of course, very preliminary, is not totally futile. The situation in one year has some implication on the following year. Using end stock projections and particularly changes in them provides, if nothing else, some guidance on prospect for movement of crops. This is naturally influenced by where Canada stands in international markets.

In an **All Crops** context the 2021 drought resulted in a cut in ending stocks, indicated by the blue in the graph which shows up for all prairie crops selected. This year with a recovery in harvests, ending stocks were largely replenished for most crops – green bars. A further small increase in ending stocks for next year is a reasonable expectation, red bar, as supplies this year were somewhat restricted by smaller beginning stocks carried over from the drought year. These generalities are evident for most selected crops.

For **Durum** supply response this year was limited by a second year of poor soil moisture in major production areas. Demand for Canadian durum is relatively inelastic as Canada is the dominant source of durum in international markets. As a result ending stocks declined a second year and the sharp increase in ending stocks next year would only restore normal levels.

For other **Wheat** this year saw a recovery of production and consumption to pre drought levels with a partial recovery in ending stocks. Hence further recovery in ending stocks is anticipated for next year.

For **Barley** the salient feature is the substitution of US corn in feed rations. This may have limited the draw down in barley

stocks last year and their recovery with improved output this year. Again, there is room for an increase in ending stocks next year to bring them up to a normal level.

Canada is almost an exclusive supplier of milling **Oats** on world markets and certainly so for the US. The export demand for milling oats is, therefore, inelastic and a bin sweeping cut in ending stocks last year has been followed an abundance this year and the reasonable expectation of a ending stock reducing supply response next year.

While **Canola** has to compete with soybeans and other oilseed in world markets it seems to have something of a niche position possibly a result of an export market position of canola oil and meal. Also, as a result of an apparent, for the moment, production restraint recovery of canola supplies has been muted, leaving room for a needed supply and ending stocks recovery. For field **Peas** the recovery of supplies this year from last year’s shortage appears complete and balanced. For **Lentils** this year’s increase in output, somewhat restricted by yields, only matched use with a build in ending stocks needed to restore a typical supply situation.

OPINION: We are reaching the anniversary of the Russian invasion of Ukraine. Current crop prices will not only soon show up lower than a year ago but as the lowest of the 52-week year.

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