Crop Market Summary

Week ending Oct 27 2023

Grain Prices, Can or US$/tonne

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	211.46	215.32	304.70
HRW Wheat	Dec	236.26	245.82	339.88
HRS Wheat	Dec	264.65	268.51	347.23
CWRS Wheat	Spot	350.46	350.44	435.33
CPS Wheat	Spot	303.49	305.22	412.78
Corn	Dec	189.26	187.19	268.00
Oats	Dec	260.83	248.02	237.65

For price specs. go to: www.open-i.ca/PriceSpec.htm

Oilseeds & Other Prices, Can or US$/tonne or index 27-Oct-23

Commodity	Month	This week	Last week	Year ago
Soybeans	Nov	476.66	478.50	509.91
Soya Meal	Dec	401.42	384.54	385.90
Soya Oil	Dec	1,152.40	1,177.09	1,582.75
Canola	Nov	678.70	694.40	910.40
Crude Oil(WTI)	Dec	85.68	88.22	87.86
Dollar Index	Dec	106.39	105.99	110.72
S&P 500	cash	4,126	4,223	3,889

Data in red are 12-month highs, blue 12-month lows, green revised

COMMENT: Wheat prices declined over the week. Early prospects for 2024 wheat crops seem to have improved slightly but geopolitics continue to support price expectations. Weekly US export data was disappointing. But US weekly export corn sales were at the high end of the range of expectations supporting prices but lower soybean prices weighed on values. With higher protein values not fully offsetting lower vegetable oil values soybeans and canola prices were lower. US weekly soybean export sales slightly exceed the range of expectations. A stronger Canadian dollar weighed on canola prices.

NEWS: This month's adjustments to Agriculture Canada's Outlook for Principal Field Crops were minor and limited to demand side adjustments and in the case of 2022-23 trade data. There were no new supply reports.

The aggregate 2022-23 crop year ending stock estimate was raised less than one percent and stands only four percent above the 2021 drought restricted ending stocks the previous year.

For this crop year the aggregate ending stock forecast was lowered by close to three percent and is about 17 percent below the estimate for the 2022-23 crop year. It would be the tightest supply situation in at least 30 years.

Only for durum and corn have adjustments resulted in an increase of ending stock over beginning stocks.

Final Prairie provincial crop reports indicate harvesting virtually complete this week in MB and SK about 96 and 98 percent and AB 99 percent complete the previous week. Yield expectations have generally improved with harvest progress, but soil moisture has declined.

The **USDA's October 22 crop progress report** placed the US winter wheat crop at 77 percent planted one percentage point behind last year's and the five-year average pace. But emergence at 53 percent is ahead of last year's 47 percent and on a par with the five-year average pace of 53 percent. The first crop condition assessment will be published next week.

US fall harvests were a few days ahead of normal. Corn and soybeans were reported as of October 22 to be 59 and 76 percent complete compared with five-year averages of 54 and 67 percent.

OPINION: With shipments through the St Lawrence Seaway system stalled by a labour strike, a review of crop movement to export may be instructive. Canadian Grain Commission (CGC) data provides an excellent insight. Almost all crops using CGC Pacific Coast licensed facilities are Prairie sourced and exported. They were over 70 percent of total shipments in 2022-23.

Slightly move than 6 percent of total crop shipments were handled through Thunder Bay and again these are very largely destined for export. The remaining 20, or so, percent were mainly eastern Canadian crops - winter wheat, corn and soybeans handled through eastern CGC licensed facilities.

What is striking is the relatively small percent of Prairie crops handled through Thunder Bay which originally provided almost the entire access for Prairie crops to export markets. Most Prairie rail lines point in that direction.

Surely the 2021 drought which limited crop supplies for shipment early in the 2022-23 crop year exaggerated a continuing longer-term trend of reduced eastern movement of Prairie crops. In the era of the Canadian Wheat Board, its pricing policies indirectly favoured Atlantic shipment. But more critical has surely been the growth of Asian, relative to European, economies best service out of the West Coast.

The direction of crop movement naturally reflects freight costs. The main crops handled by Thunder Bay were Manitoba wheat, Saskatchewan durum heading to Mediterranean markets and some canola. The bulk of Saskatchewan and almost all Alberta crops were shipped west. Some Manitoba soybeans were also handled at the West Coast.

The Seaway strike must be a concern to eastern Canadian farmers.

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