



# An Update on the International and Quebec Grain Markets

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**Producteurs de grains du Québec**

Activité d'information pour les producteurs anglophones de la  
Montérégie

April 12, 2022





# OUTLINE

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**SUPPLY AND DEMAND**



**INTERNATIONAL  
MARKET**



**WAR IN UKRAINE**



**LOCAL MARKET**





# U.S. Supply and Demand

USDA

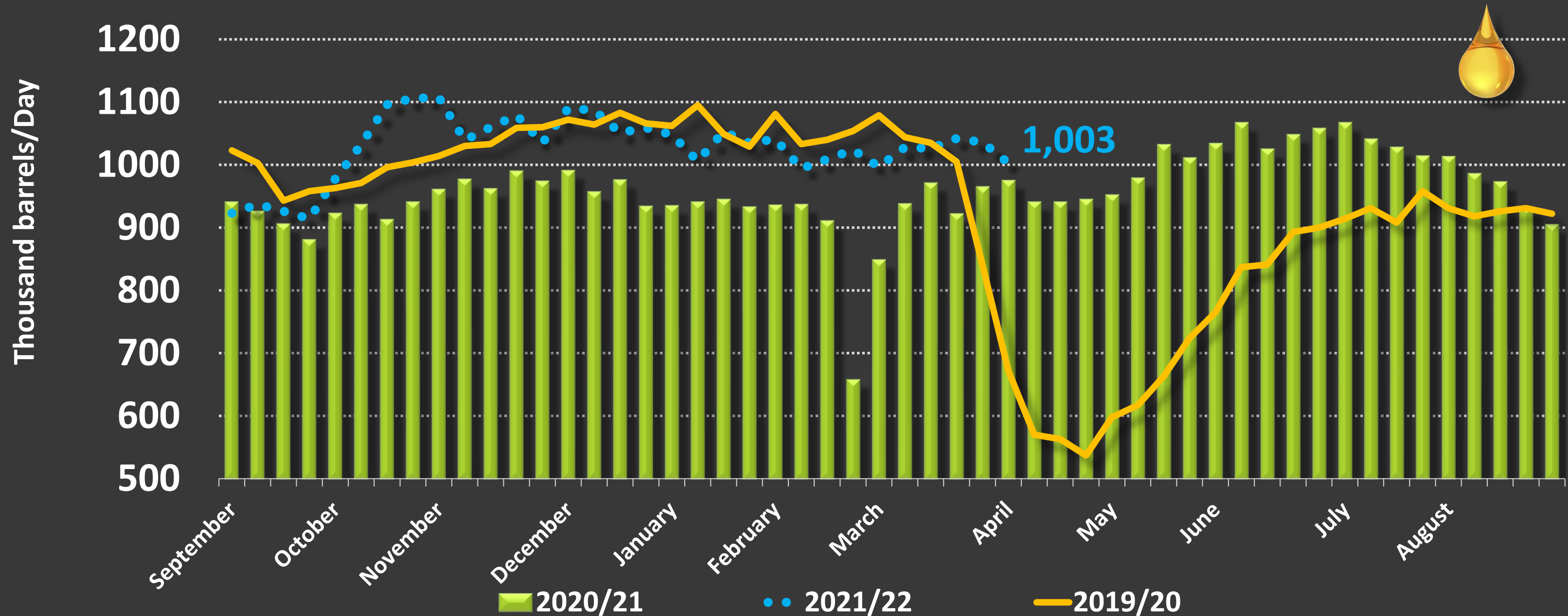


# CORN – United-States

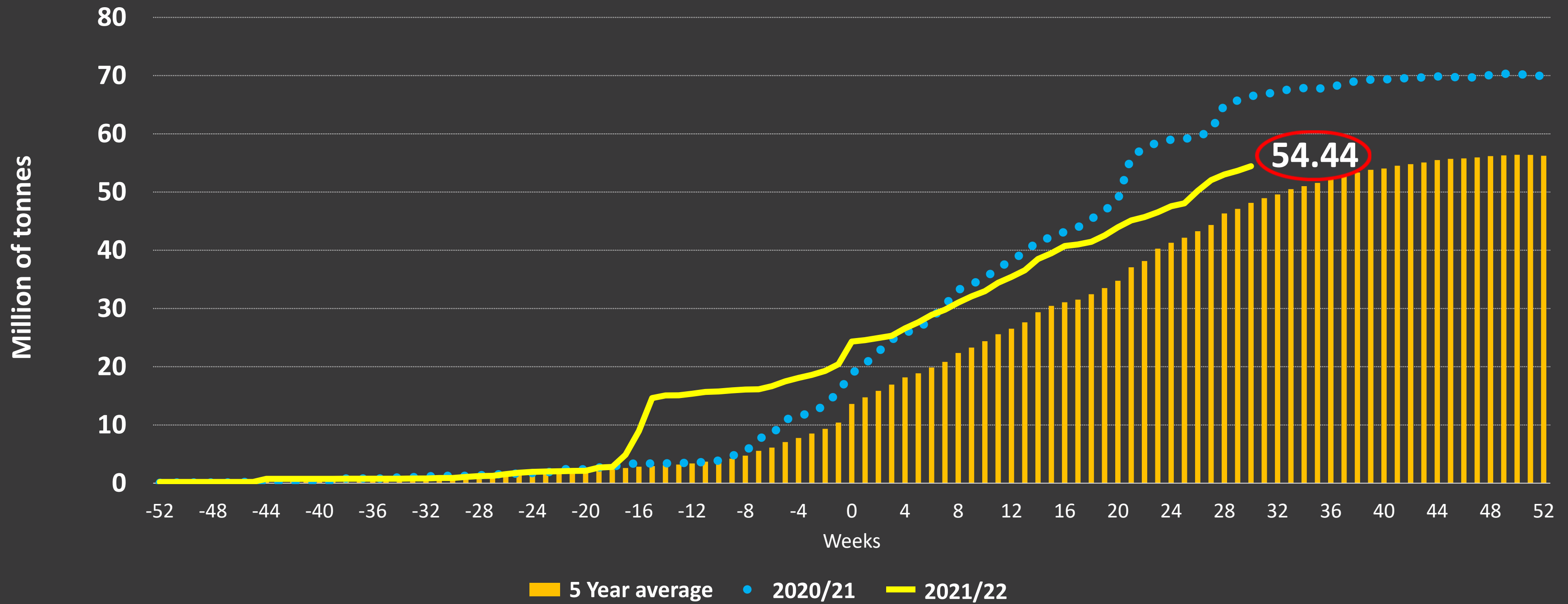
(million bushels)	2020/21	2021/22*
<b>Area planted</b> (million acres)	90.7	93.4
<b>Area harvested</b> (million acres)	82.3	85.4
<b>Yield</b> (bushels/acre)	171.4	177.0
<b>Beginning Stocks</b>	1,919	1,235
<b>Production</b>	14,111	15,115
<b>Feed and Residual</b>	5,598	5,625
<b>Industrial</b>	6,470	6,810
<b>Inc. ethanol</b>	5,033	5,375
<b>Exports</b>	2,753	2,500
<b>Ending stocks</b>	1,235	1,440
<b>Days of Use</b>	30	35
<b>Average Farm Price</b> (\$/bu)	4.53	5.80



# U.S. Weekly Ethanol Production



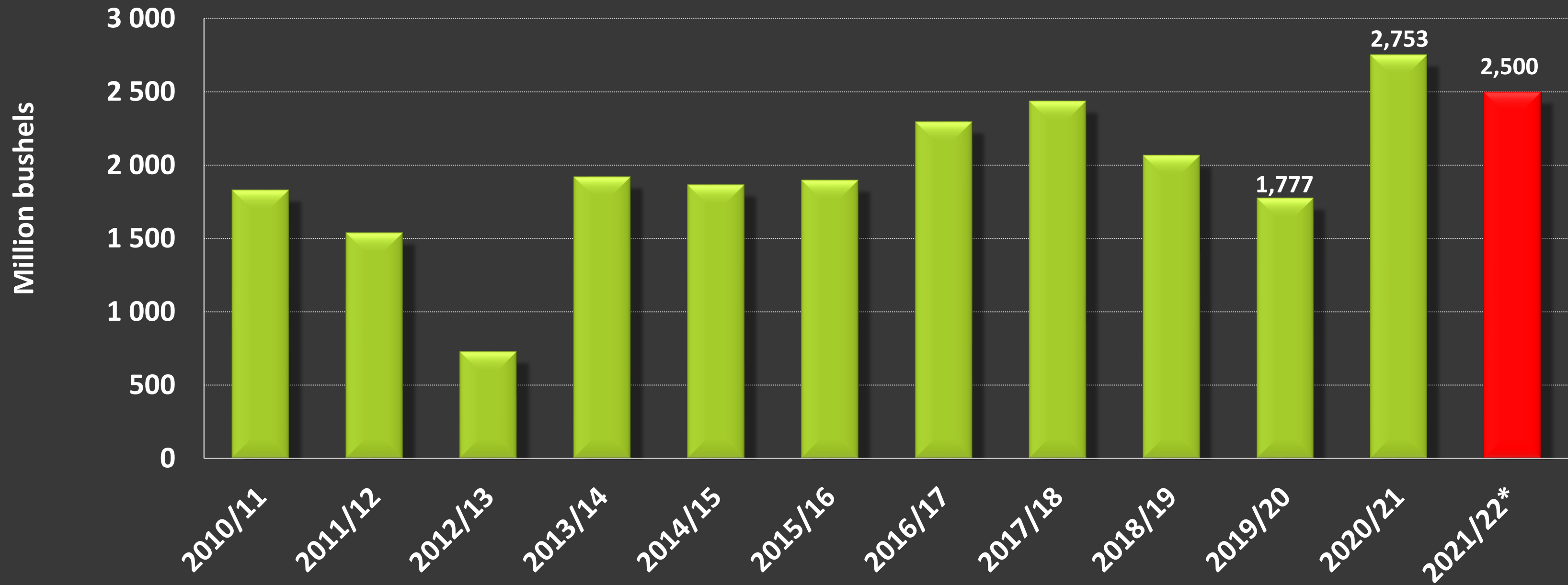
# U.S. Weekly Corn Sales 2021/22



54.44

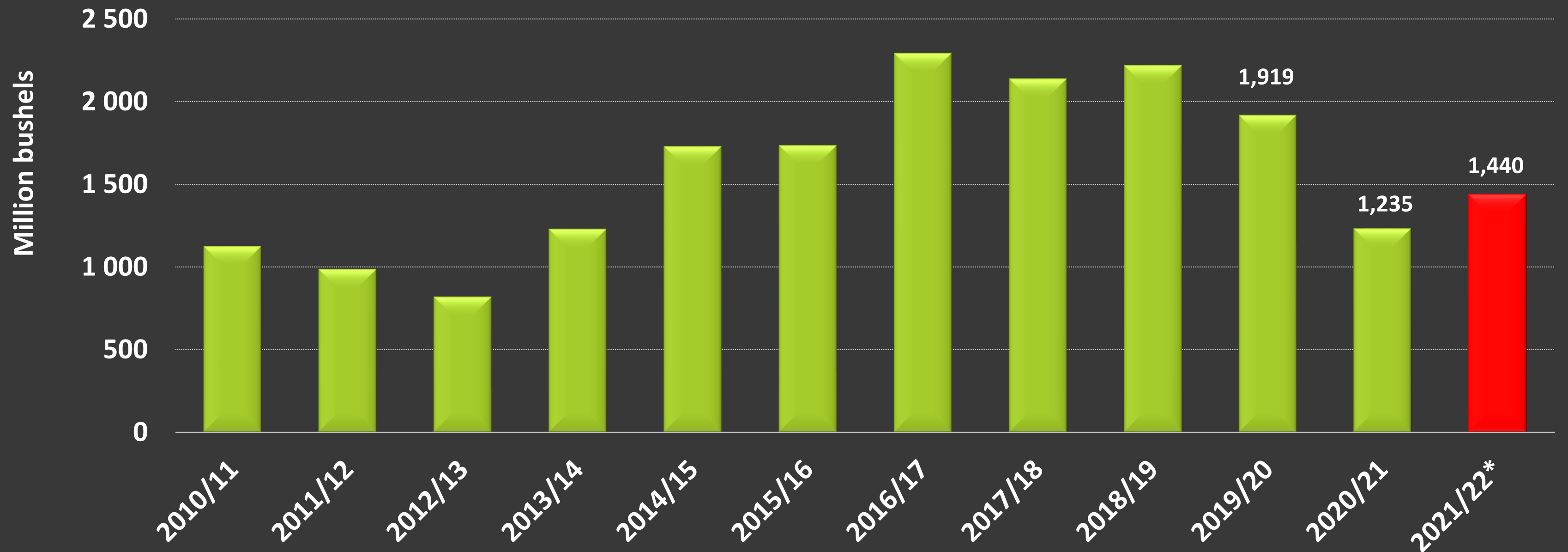
Source: USDA – March 31st, 2022

# Corn Exports 2010-2022



Source: USDA – April 8, 2022 \* Projections

# Corn Ending Stocks 2010-2022

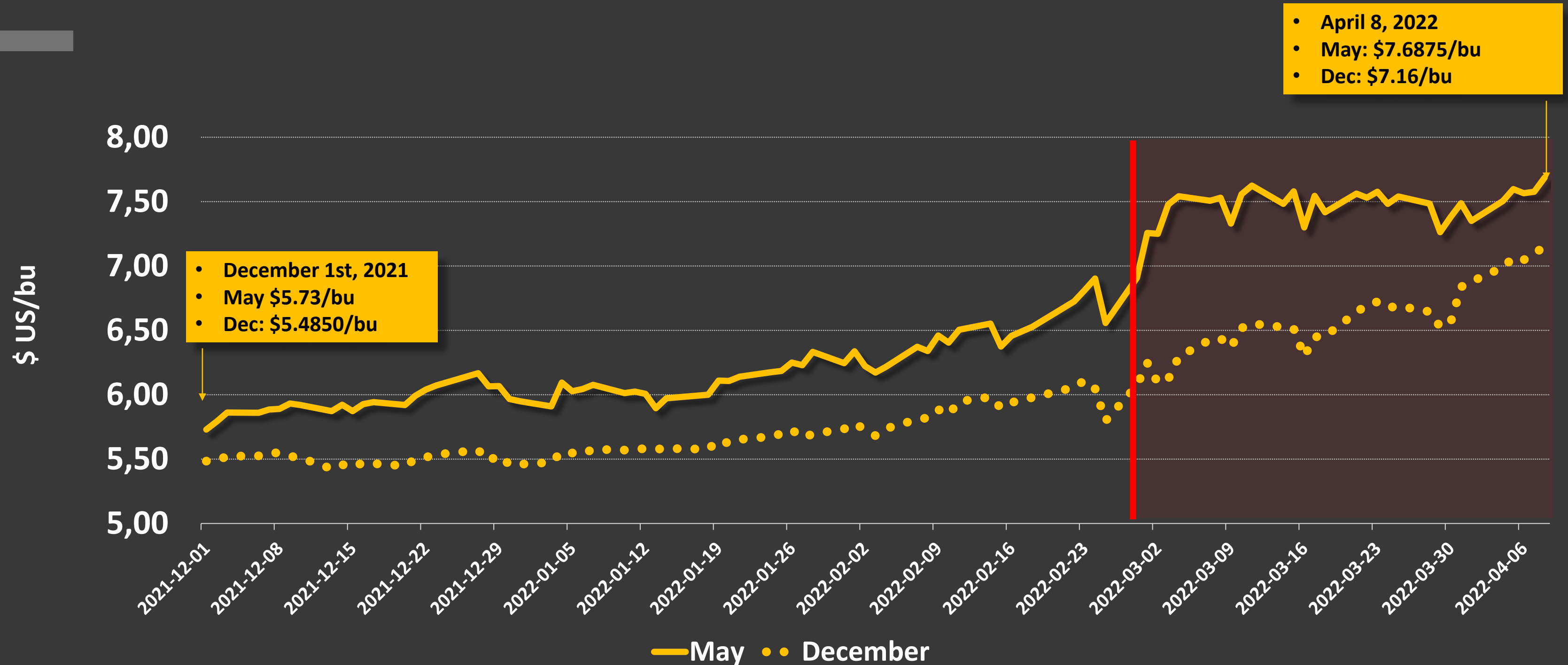


Source: USDA – April 8, 2022 \* Projections



# Corn Futures

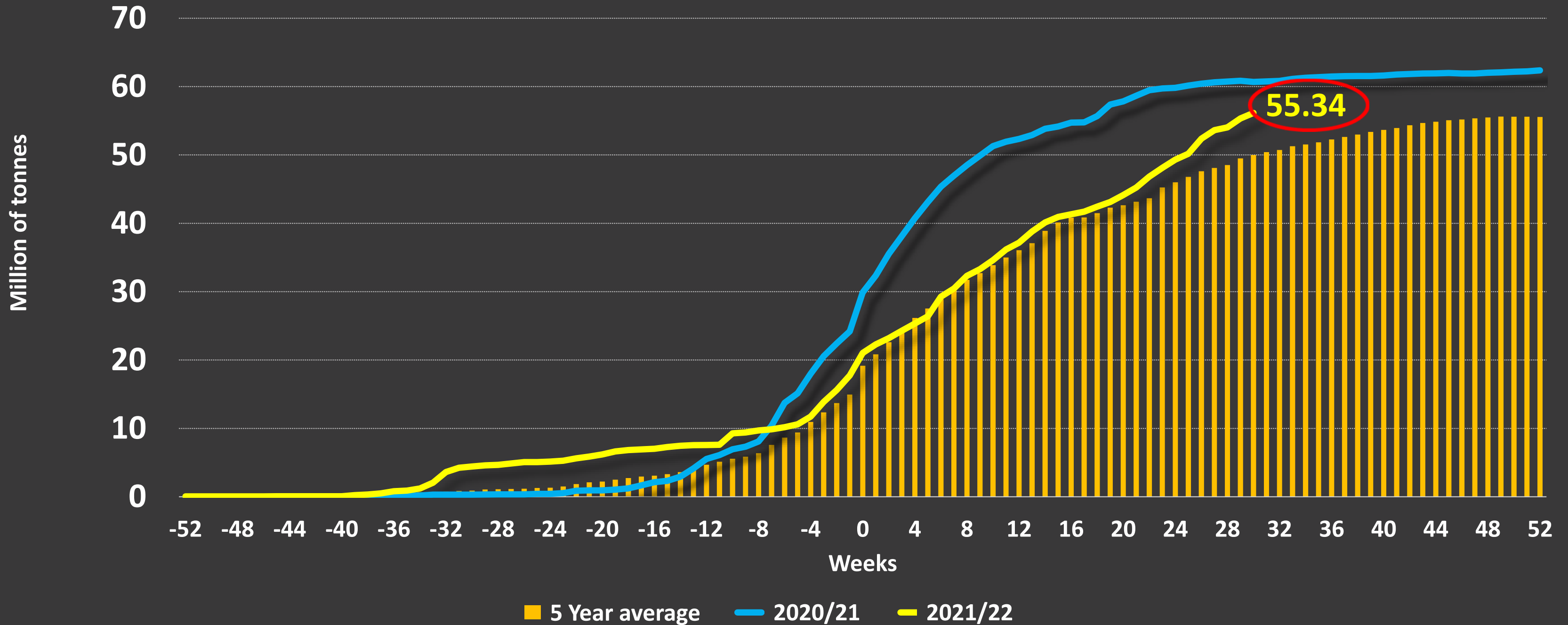
Since December 1<sup>st</sup>, 2021



# SOYBEANS – United-States

(million bushels)	2020/21	2021/22*
<b>Area Planted</b> (million acres)	83.4	87.2
<b>Area Harvested</b> (million acres)	82.6	86.3
<b>Yield</b> (bushels/acre)	51.0	51.4
<b>Beginning Stocks</b>	525	257
<b>Production</b>	4,216	4,435
<b>Imports</b>	20	15
<b>Seed and Residual</b>	102	118
<b>Crushings</b>	2,141	2,215
<b>Exports</b>	2,261	2,115
<b>Ending Stocks</b>	257	260
<b>Days of Use</b>	21	21
<b>Average Farm Price</b> (\$/bu)	10.80	13.25

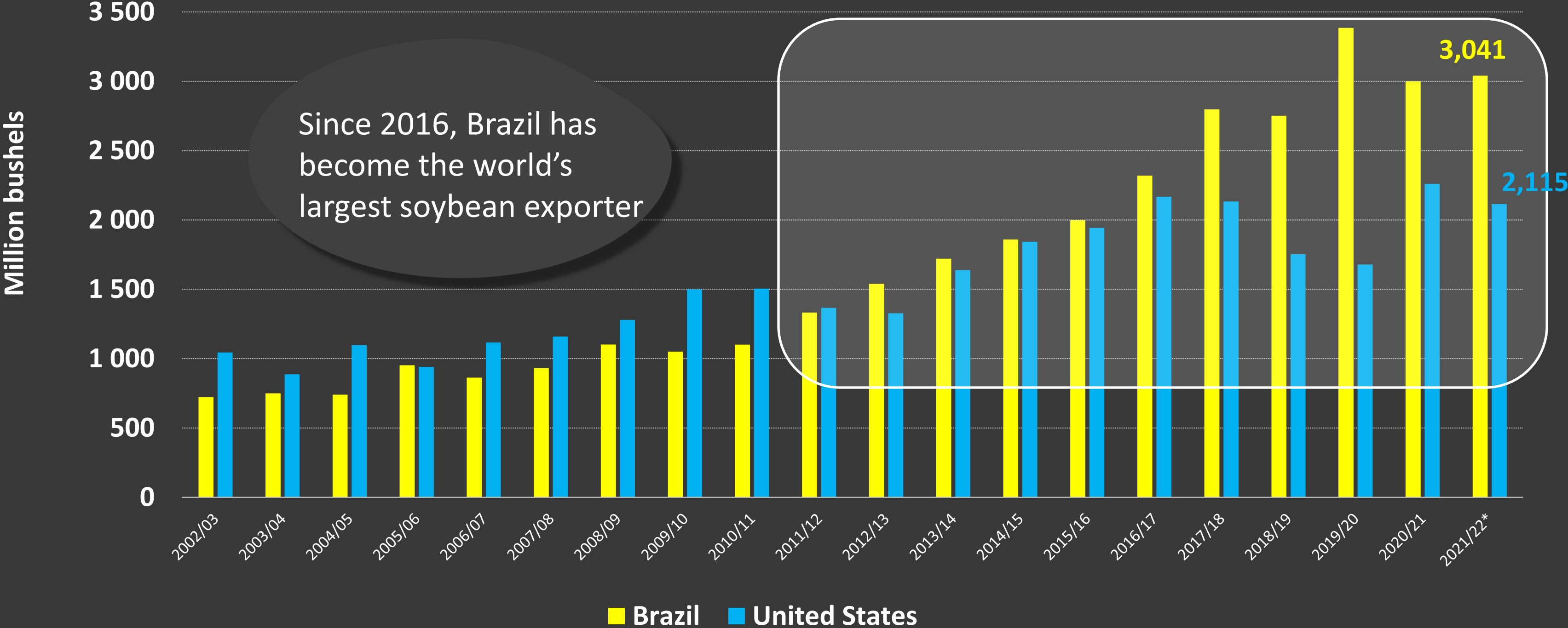
# U.S. Weekly Soybean Sales 2021/22



Source: USDA – March 31st, 2022



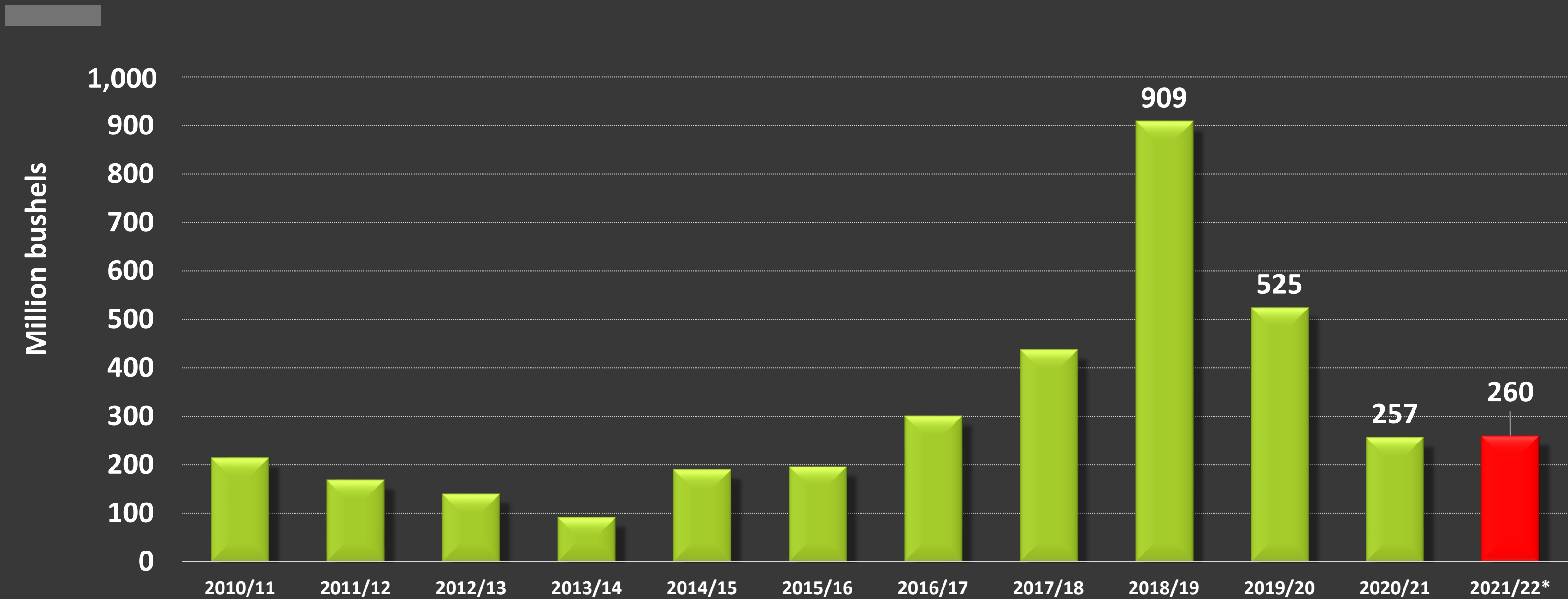
# Soybean Exports 2010-2022 United States vs. Brazil



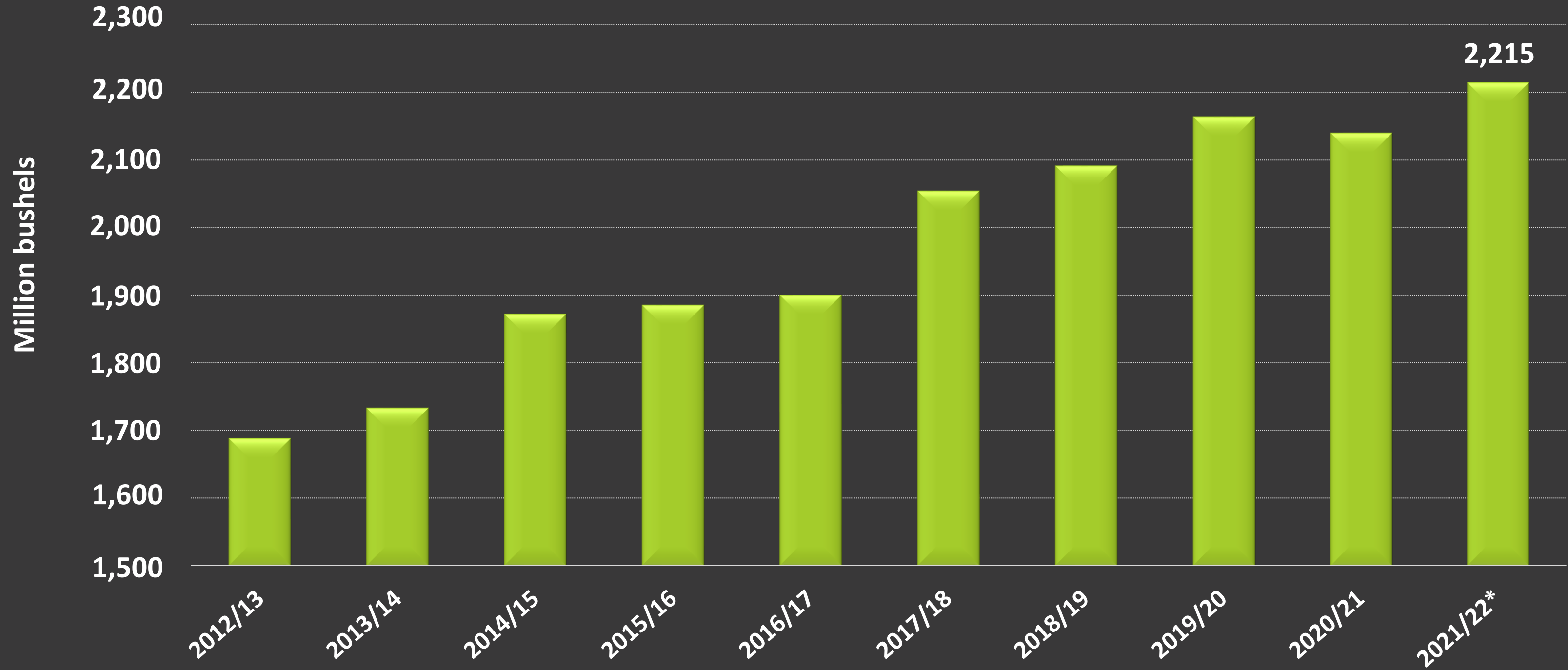
Source: USDA – April 8, 2022



# U.S. Ending Soybean Stocks 2010-2022



# Soybeans - Crushings

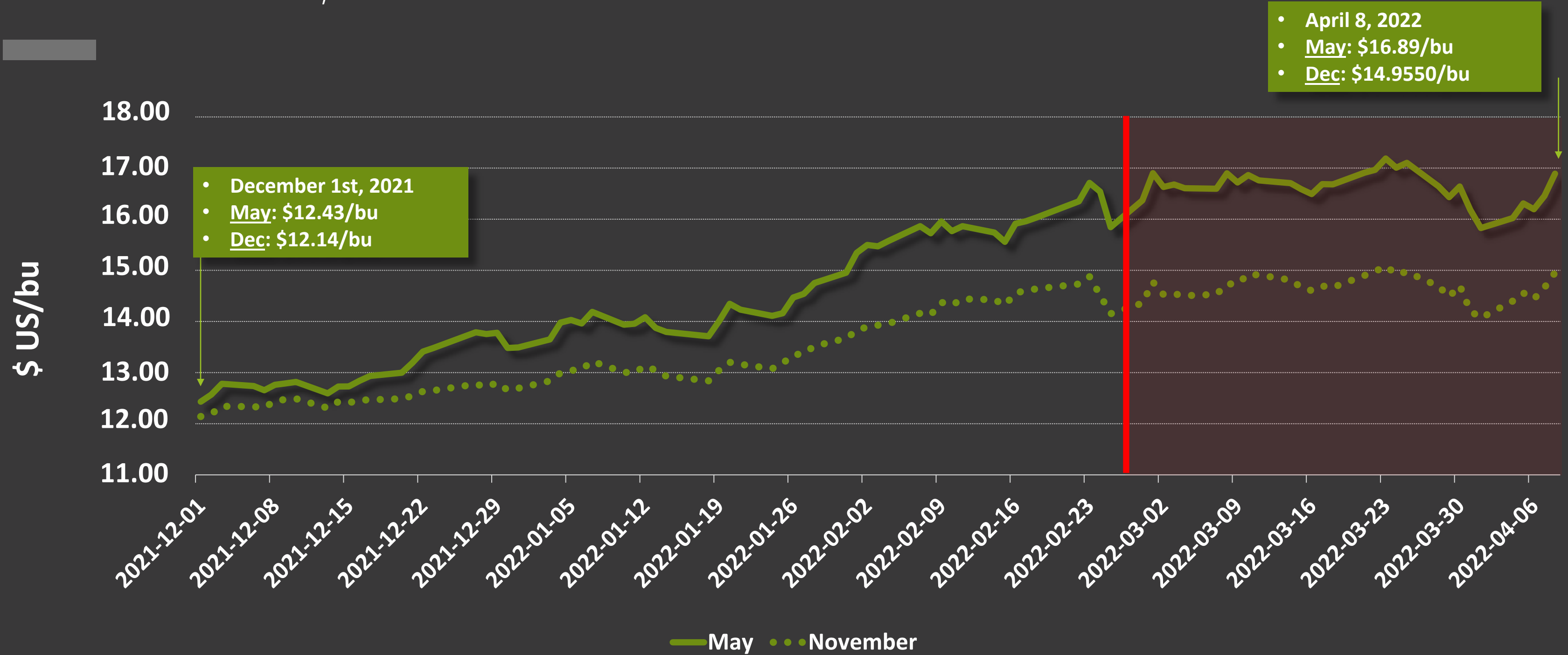




# Soybean Futures



Since December 1st, 2021





# Price Rally since December

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- **South-American Weather Market :**

Dryness over southern Brazil in December and January has lowered the soybean yield. Result : a mediocre Brazilian production.

- **Political Market :**

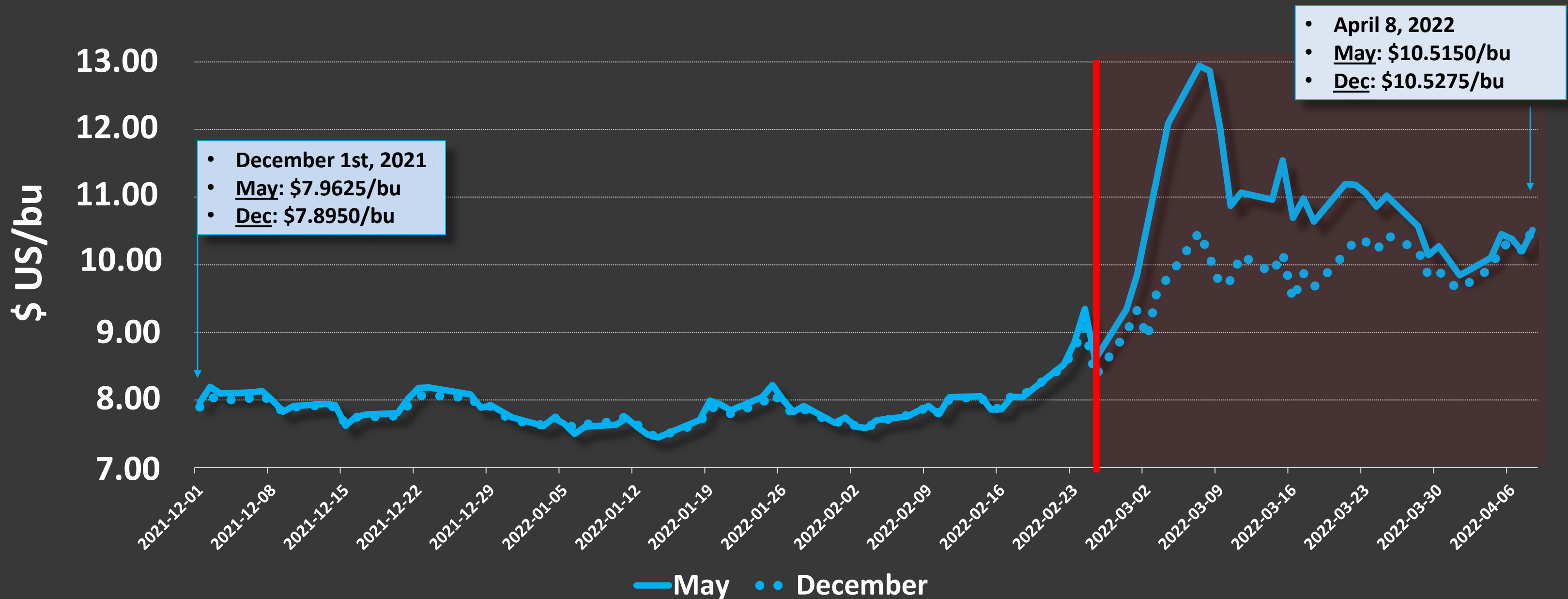
War between Russia and Ukraine, two large grain exporters, has boosted the Chicago Board of Trade.



# Wheat Futures - Chicago



Since December 1st, 2021







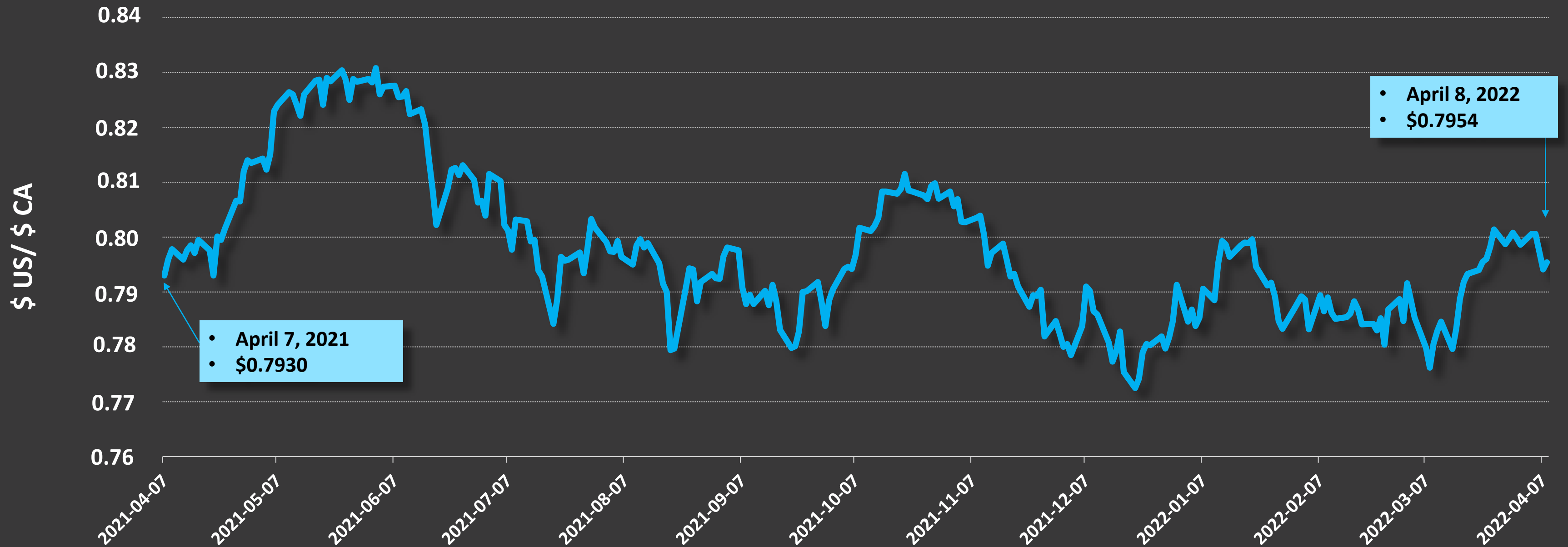
# U.S. Seeding Intentions

<b>Area</b> (Million Acres)	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Corn</b>	89.7	90.7	93.4	<b>89.5</b>
<b>Soybeans</b>	76.1	83.4	87.2	<b>91.0</b>
<b>Wheat</b>	45.5	44.5	46.7	<b>47.4</b>
<b>Total</b>	211.3	218.6	227.3	<b>227.9</b>

Source: USDA – March 31st, 2022

# Exchange Rate – US\$/CA\$

12 months

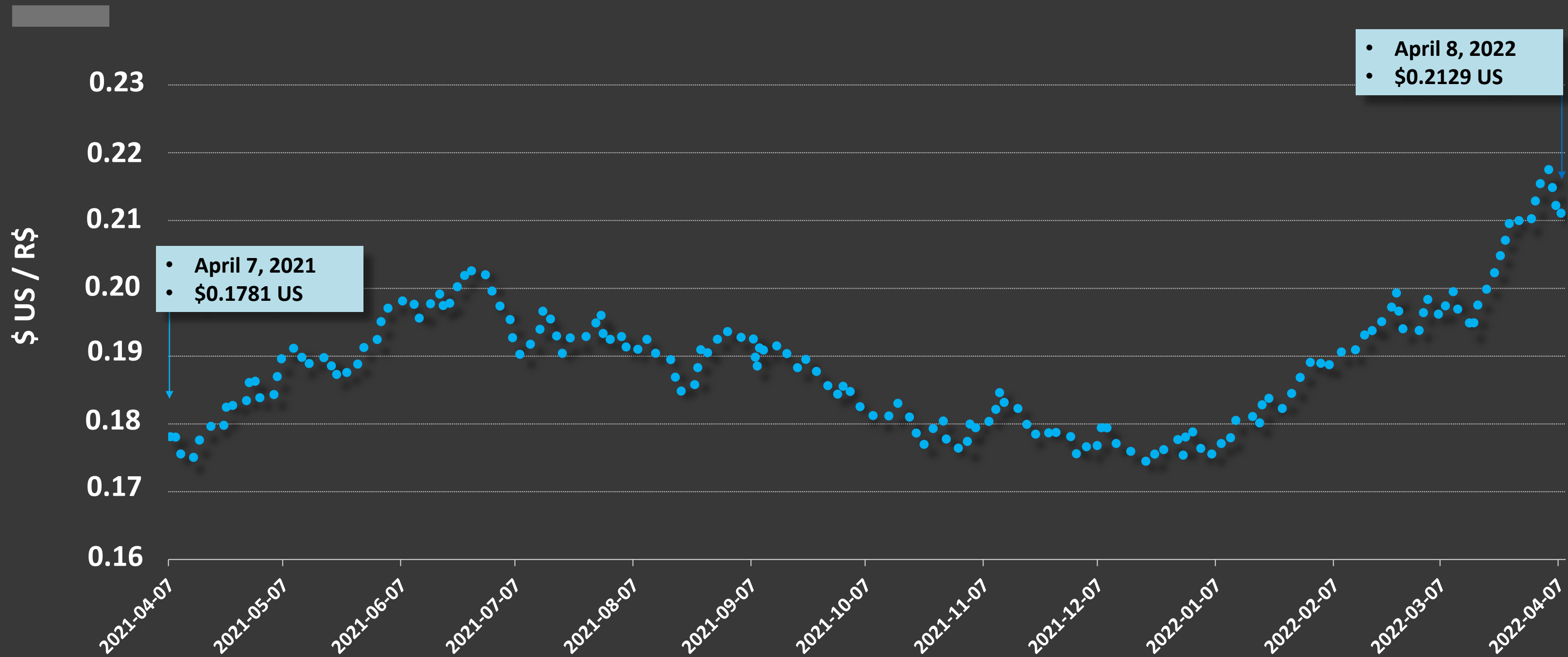




# Exchange Rate – US\$/R\$ (Brazilian Real)



12 months

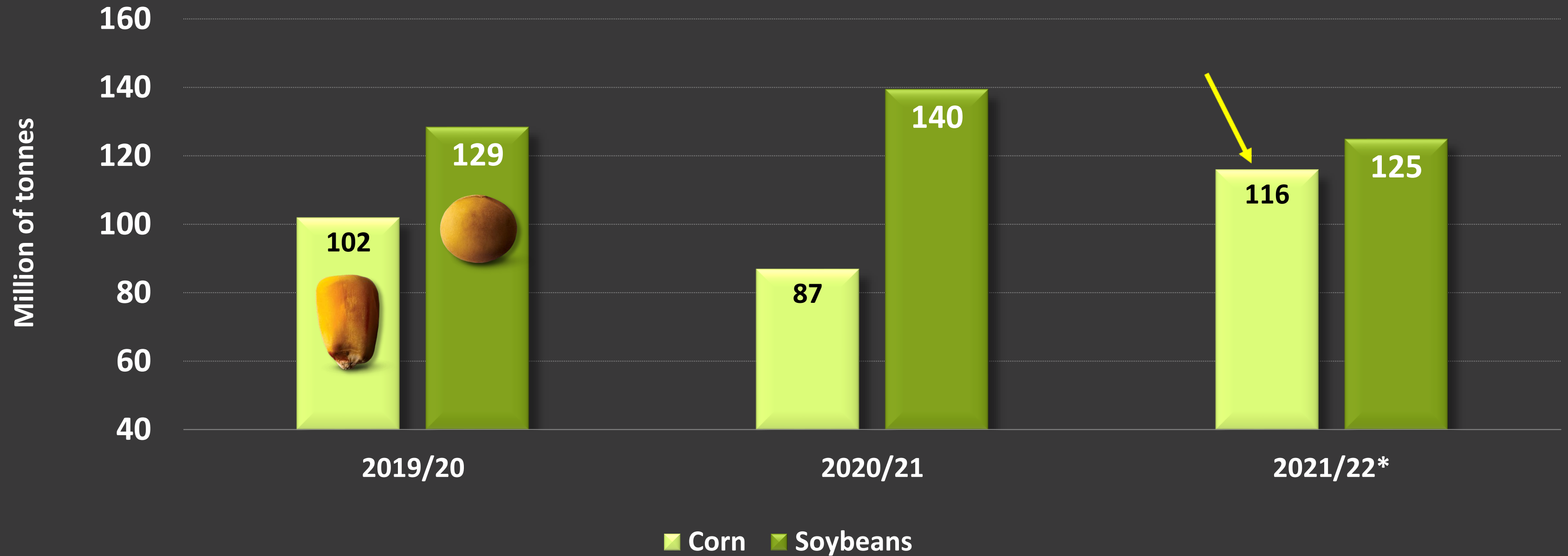






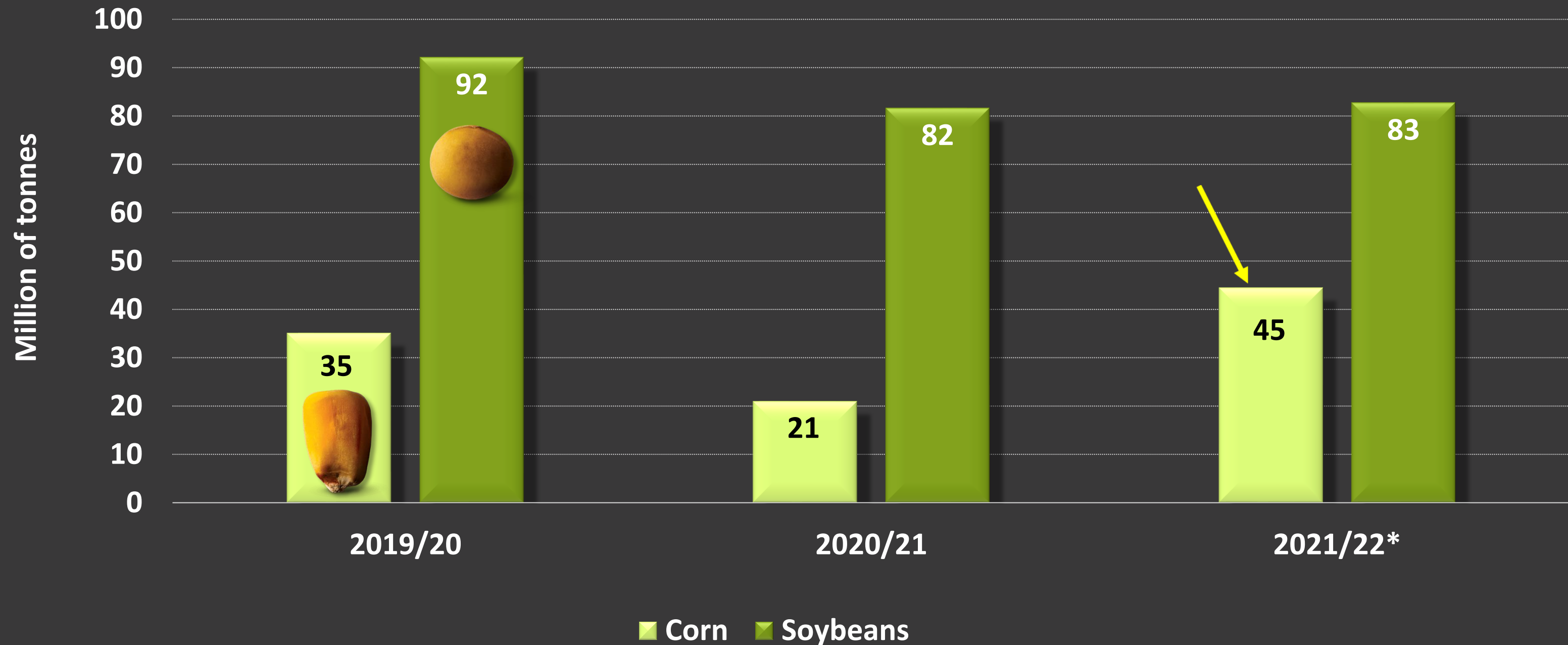
# International Supply and Demand

# Corn and Soybean Production Brazil



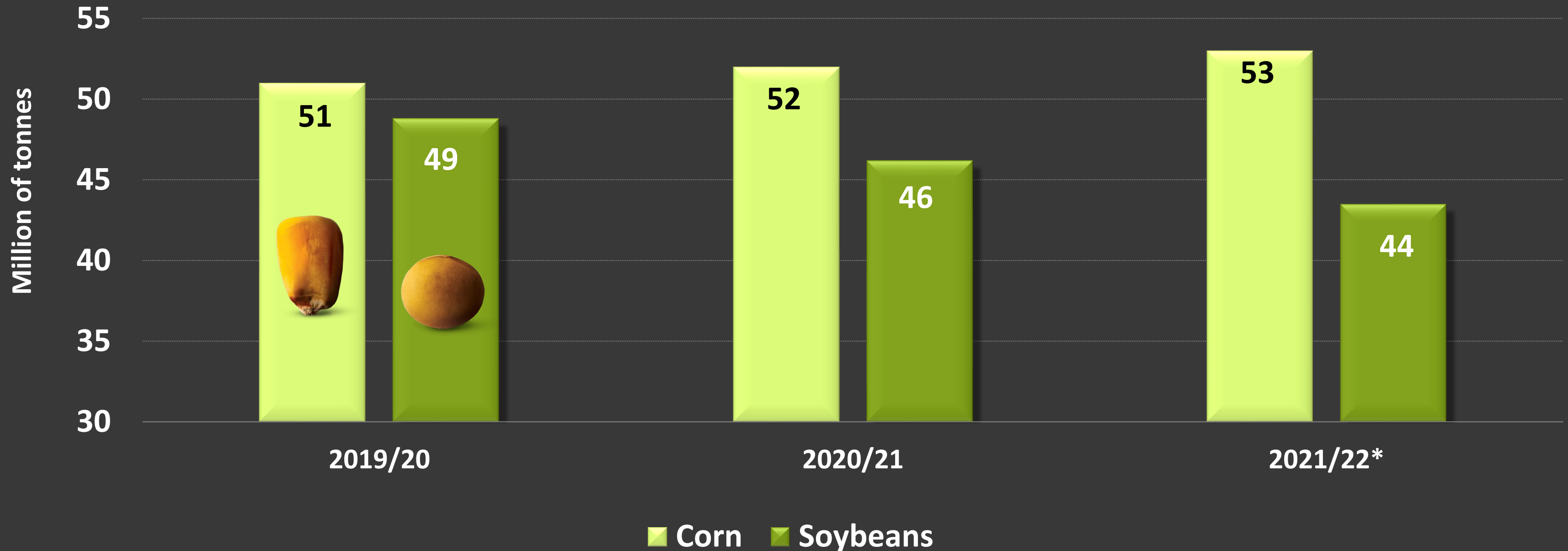
Source: USDA – April 8, 2022 \* Projections

# Corn and Soybean Exports Brazil



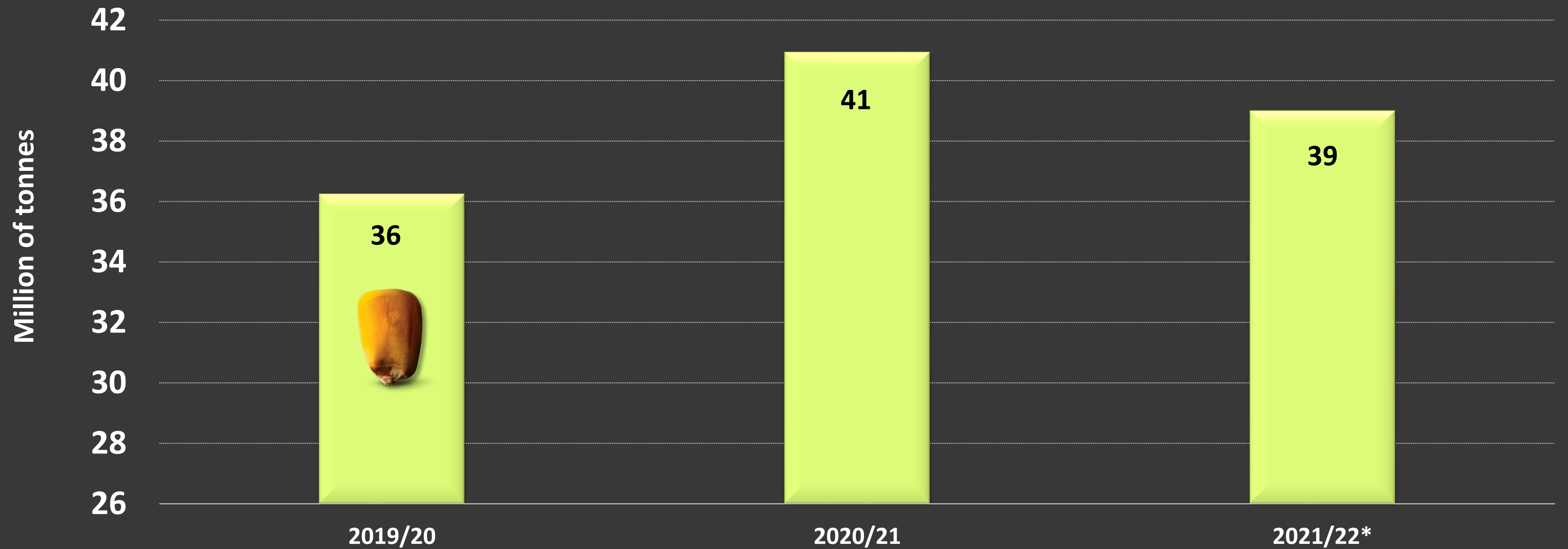


# Corn and Soybean Production Argentina



# Corn Exports

## Argentina

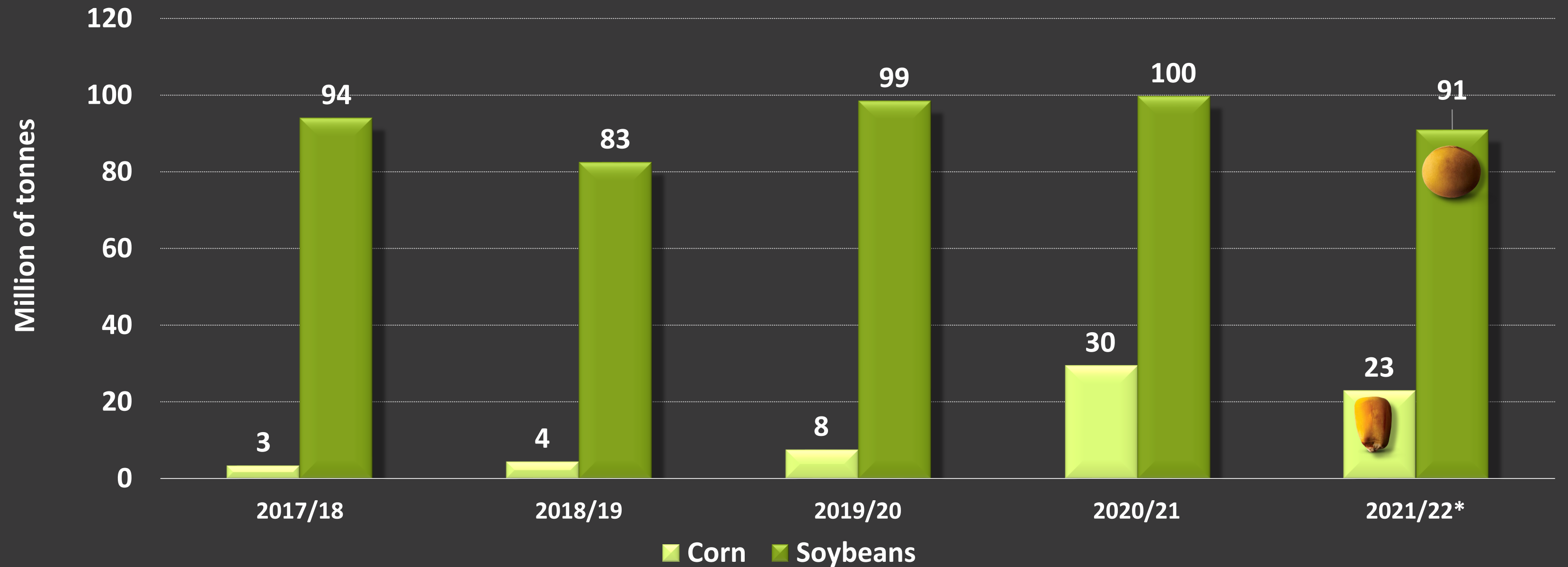


Source: USDA – April 8, 2022 \* Projections



# Soybean and Corn Imports

## China



Source: USDA – April 8, 2022 \* Projections





# China's Grain Demand

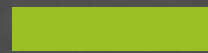
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- Record grain imports in 2020/21: China, usually a small corn buyer, became the world's largest corn importer.
- Corn and soybean demand has stabilized and has even started to come down. The African swine fever is under control, the re-building of the hog herd is over, and China had a good corn crop.





# War in Ukraine







# Ukraine War Recap

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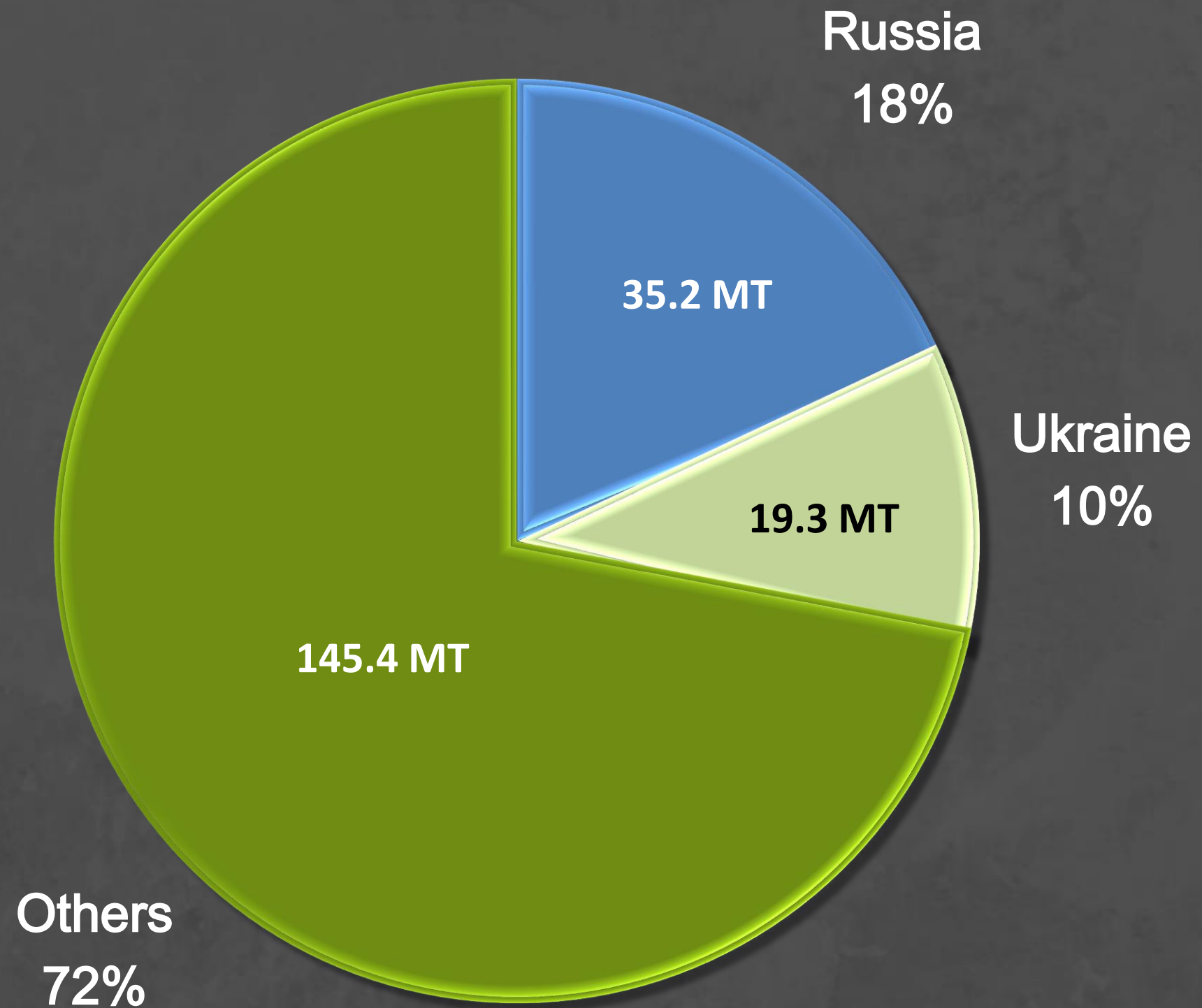
- Russie invaded Ukraine on February 24th;
- Both countries are very large grain exporters (wheat, corn, barley, sunflower oil);
- Ukraine is no longer able to export anything;
- Russia may have a hard time exporting grains due to international sanctions (embargoes, financial sanctions);
- For the time being, there is no end in sight for this war.



# Wheat Exports (Averages)

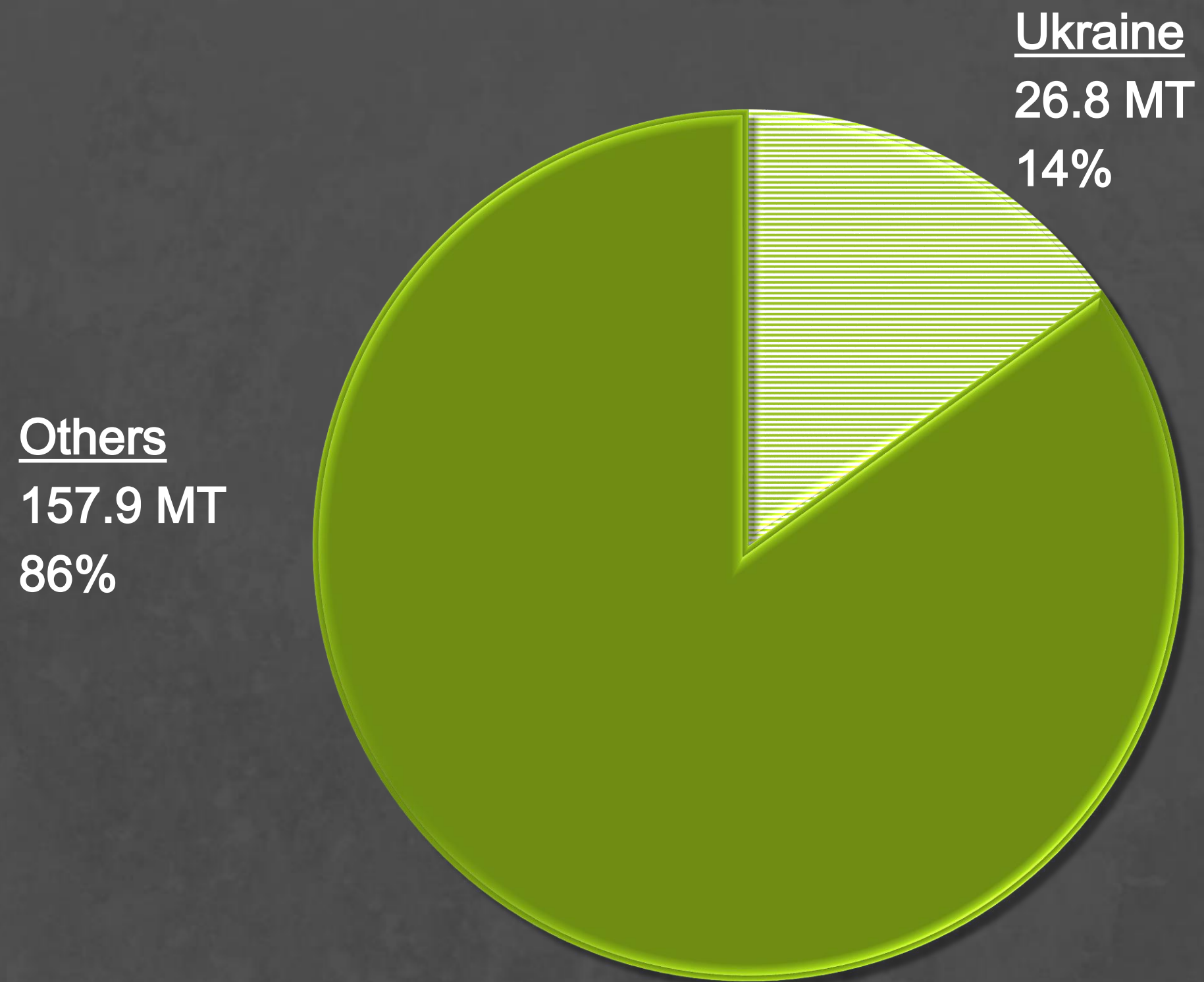


Russia + Ukraine:  
28% of world supply





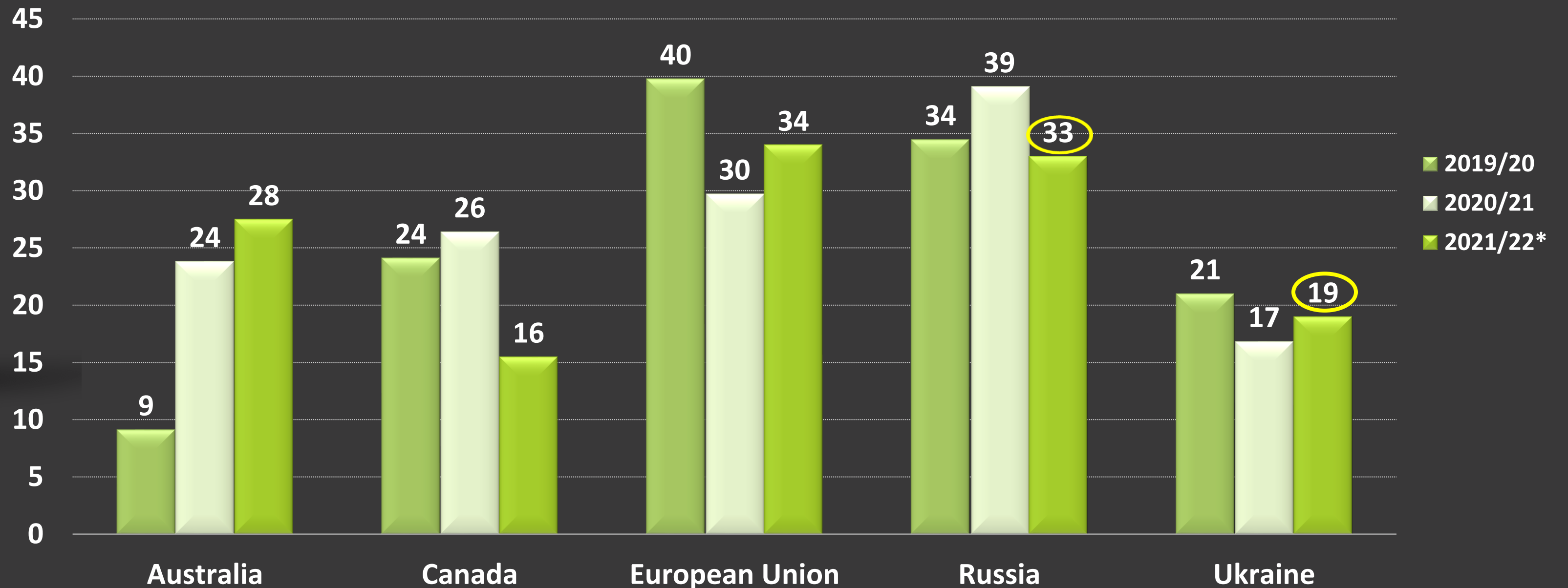
# Corn Exports (Averages)



Source: USDA – April 8, 2022

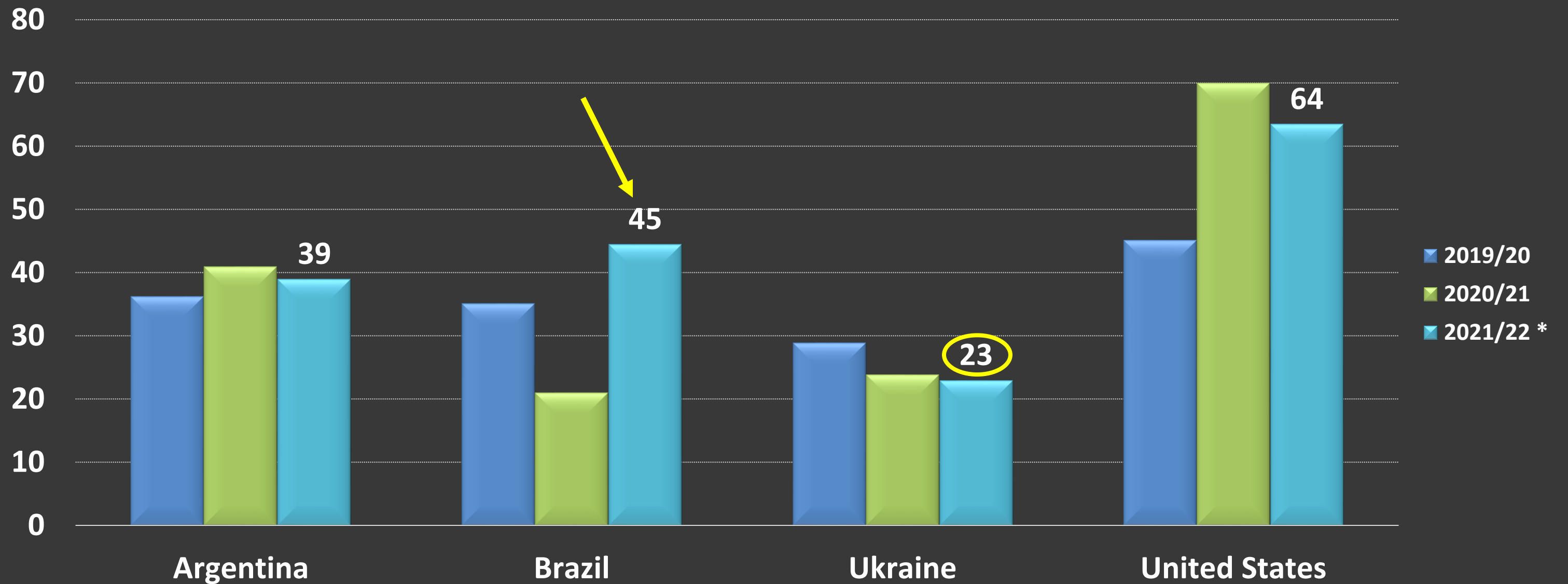
# Wheat Exports

Australia – Canada – European Union – Russia – Ukraine



# Corn Exports

Argentina – Brazil – Ukraine – United-States







# Fertilizers

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- Russia and Belarus are large exporters of nitrate, potash and phosphate fertilizers;
- The price of fertilizers rose substantially in 2021. With the Ukraine war, the price surged higher;
- 2 vessels transporting Russian fertilizers have been cleared to unload in Quebec. It is not clear whether the 35% tax on imported Russian goods will apply, and who would assume this additional cost.





# Fertilizers

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## Price Increase and Unknown Availability:

- Impact on seedings?
- Impact on yields?





# Two scenarios

## A. If the war goes on

### ➤ **Ukraine**

- Winter wheat harvest compromised;
- Corn will not be seeded;
- About 55 million tonnes (MT) will vanish from the world grain supply.

### ➤ **Russia**

- Grain exports will be severely constrained by international sanctions : 10 to 20 MT will vanish from the world market.





# Two scenarios

## A. If the war goes on

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- World grain demand will have to be rationed (poor countries);
- Grain prices will be very high in 2022/23;
- If there is any production problem in another grain exporter, prices will take off once again. If this happens, don't look at past prices in order to try and project the new maximum. We will be in a whole new game.





# Two scenarios

## B. If the war ends soon

- Ukrainian producers will fertilize their winter wheat and will somehow manage to seed corn. Ukraine will have a grain crop, even if it will likely be a mediocre one;
- If the grain infrastructure has not been destroyed, if port facilities are functional and if ports have not been mined, Ukrainian grain exports will resume.
- The political grain market will end. We will be back to the weather market, i.e. US seeding conditions and Midwest rainfall;
- The price of wheat will come down, triggering downside pressure on the price of corn (and, to a lesser extent, on the price of soybeans).





## Summary

- The Chicago Board of Trade is bullish and extremely volatile;
- Hedging is becoming a major issue for grain buyers;
- Lots of uncertainty : nobody knows what will happen next;





# Local Market



# Production

Metric Tonnes



Canada

	CORN	SOYBEANS	WHEAT	BARLEY	OATS	CANOLA	TOTAL
<b>2019</b>	13,403,900	6,145,000	32,669,800	10,382,600	4,227,300	19,912,300	86,740,900
<b>2020</b>	13,563,400	6,358,500	35,183,000	10,740,600	4,575,800	19,484,700	89,906,000
<b>2021</b>	<b>13,983,859</b>	<b>6,271,835</b>	<b>21,651,900</b>	<b>6,948,137</b>	<b>2,605,935</b>	<b>12,594,605</b>	<b>64,056,271</b>

Source: Statistics Canada – December 3, 2021

# Production

Metric Tonnes



## Ontario

	CORN	SOYBEANS	WHEAT	BARLEY	OATS	CANOLA	TOTAL
<b>2019</b>	8,640,600	3,708,200	1,521,700	134,200	104,700	42,200	14,151,600
<b>2020</b>	8,908,800	3,908,700	2,485,300	113,100	103,700	33,400	15,553,000
<b>2021</b>	<b>9,474,638</b>	<b>4,082,331</b>	<b>2,813,951</b>	<b>67,485</b>	<b>81,053</b>	<b>43,882</b>	<b>16,563,340</b>

Source: Statistics Canada – December 3, 2021



# Production

Metric Tonnes



Quebec

	CORN	SOYBEANS	WHEAT	BARLEY	OATS	CANOLA	TOTAL
<b>2019</b>	3,369,000	1,146,000	276,400	156,600	189,600	25,700	5,163,300
<b>2020</b>	3,264,100	1,159,700	248,600	125,900	173,200	24,000	4,995,500
<b>2021</b>	<b>3,419,125</b>	<b>1,101,708</b>	<b>344,818</b>	<b>158,950</b>	<b>197,158</b>	<b>30,990</b>	<b>5,252,749</b>

Source: Statistics Canada – December 3, 2021

# Quebec Corn Supply and Demand

Statistics Canada and PGQ

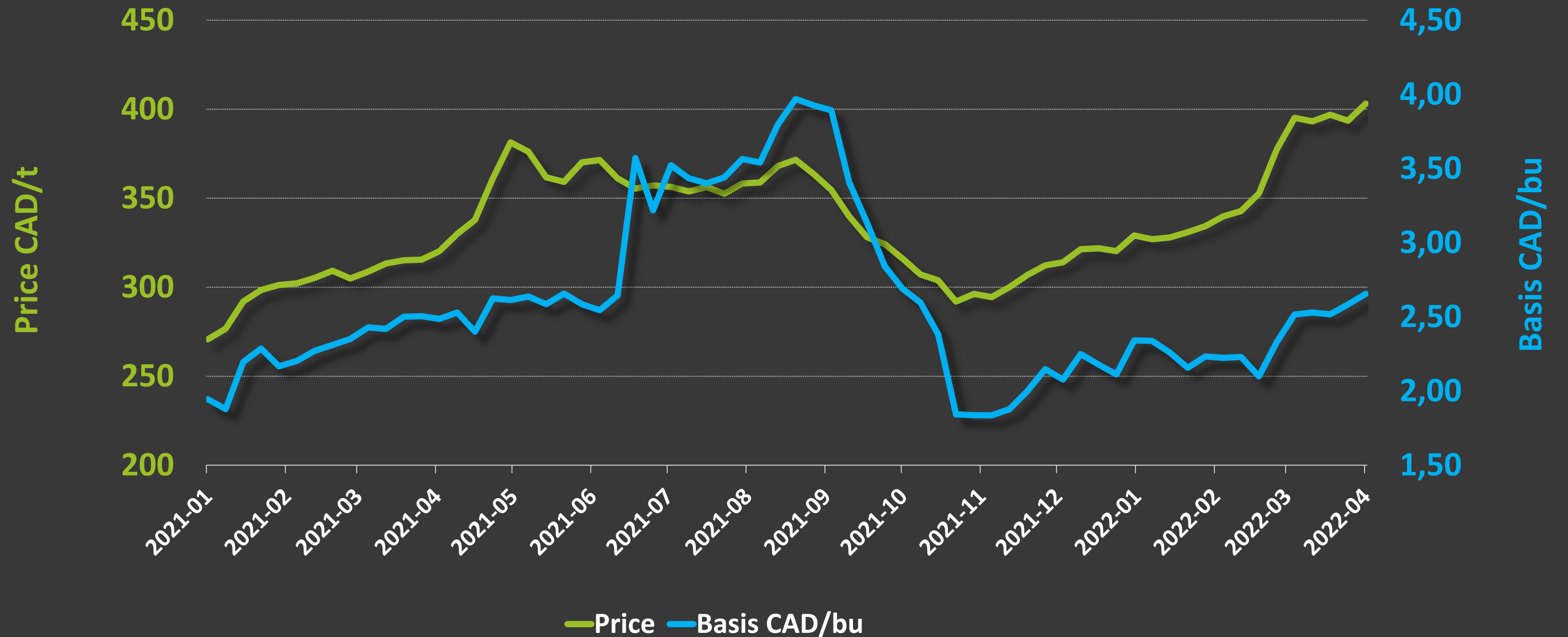
Offre et demande du maïs au Québec 1er septembre au 31 août			
	2019-2020 (1er sept - 31 août)	2020-2021 (1er sept - 31 août)	2021-2022 * (1er sept - 31 août)
<b>Superficies ensemencées</b> <i>Milliers d'hectares</i>	383	361	359
<b>Superficies récoltées</b> <i>Milliers d'hectares</i>	380	359	357
<b>Rendement</b> <i>Tonnes à l'hectare</i>	8,9	9,1	9,6
<b>Offre (Milliers de tonnes)</b>			
<b>Stock de début</b>	430	494	405
<b>Production</b>	3 369	3 264	3 419
<b>Importations</b>	158	86	122 <sup>(2)</sup>
<b>Total de l'offre</b>	<b>3 957</b>	<b>3 845</b>	<b>3 946</b>
<b>Demande (Milliers de tonnes)</b>			
<b>Consommation intérieure</b> (alimentation animale, industrielle, humaine et semence)	3 078	2 962	<b>3 006</b> <sup>(2)</sup>
<b>Exportations totales</b>	385	478	<b>550</b> <sup>(2)</sup>
<b>Total de la demande</b>	<b>3 463</b>	<b>3 440</b>	<b>3 556</b>
<b>Stocks de report</b>	<b>494</b>	<b>405</b>	<b>390</b> <sup>(2)</sup>
<b>Jours d'utilisation</b>	52	43	<b>40</b> <sup>(2)</sup>
<b>Prix moyen aux producteurs</b> (CAD/tonne)	<b>226</b> <sup>(1)</sup>	<b>268</b> <sup>(1)</sup>	<b>310 - 340</b> <sup>(2)</sup>

Source : Statistique Canada et PGQ – 28 mars 2022

\* Estimations

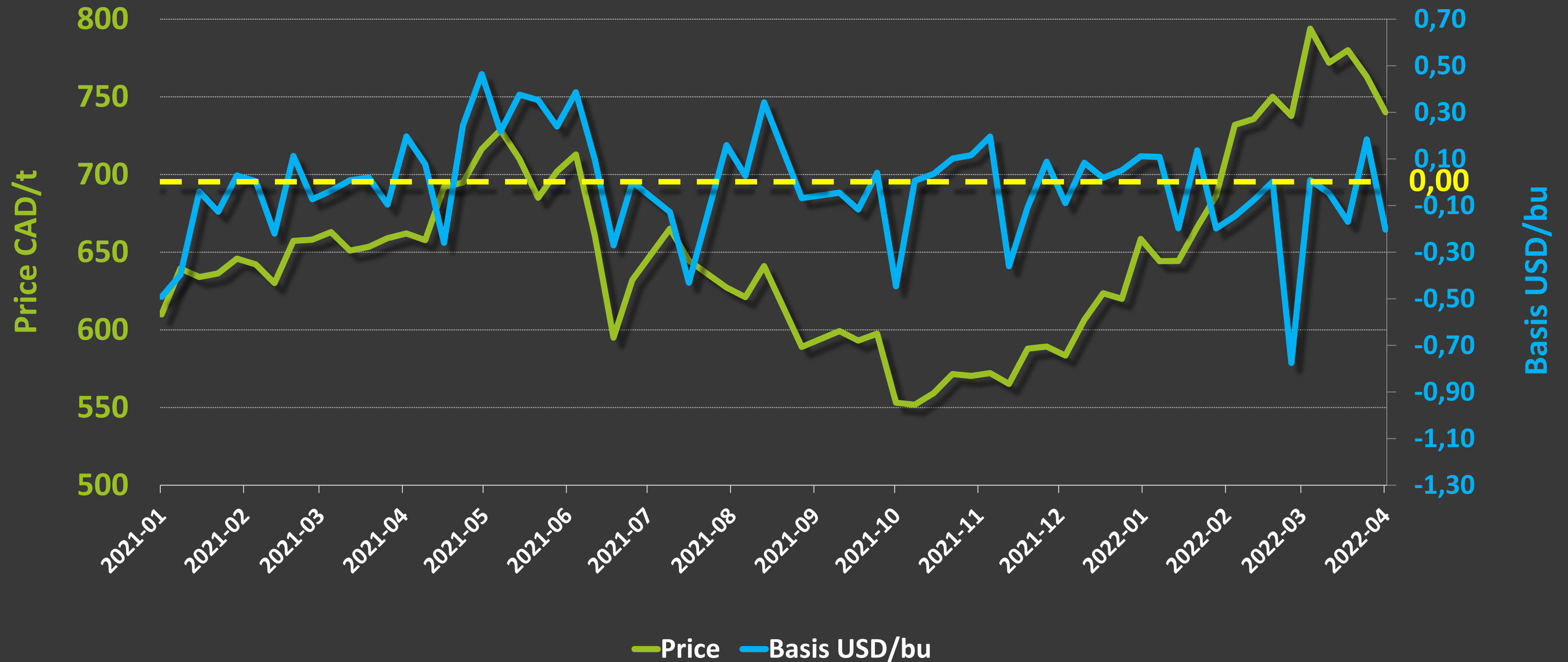
Prix moyen aux producteurs: (1): Moyenne pondérée des prix du Système de recueil et de diffusion de l'information des Producteurs de grains du Québec (2): Estimation des PGQ

# Corn - Current Price and Basis (Quebec)





# Soybeans - Current Price and Basis (Quebec)



# Local Market – Current Prices

## 2020/21 & 2021/22 Crops

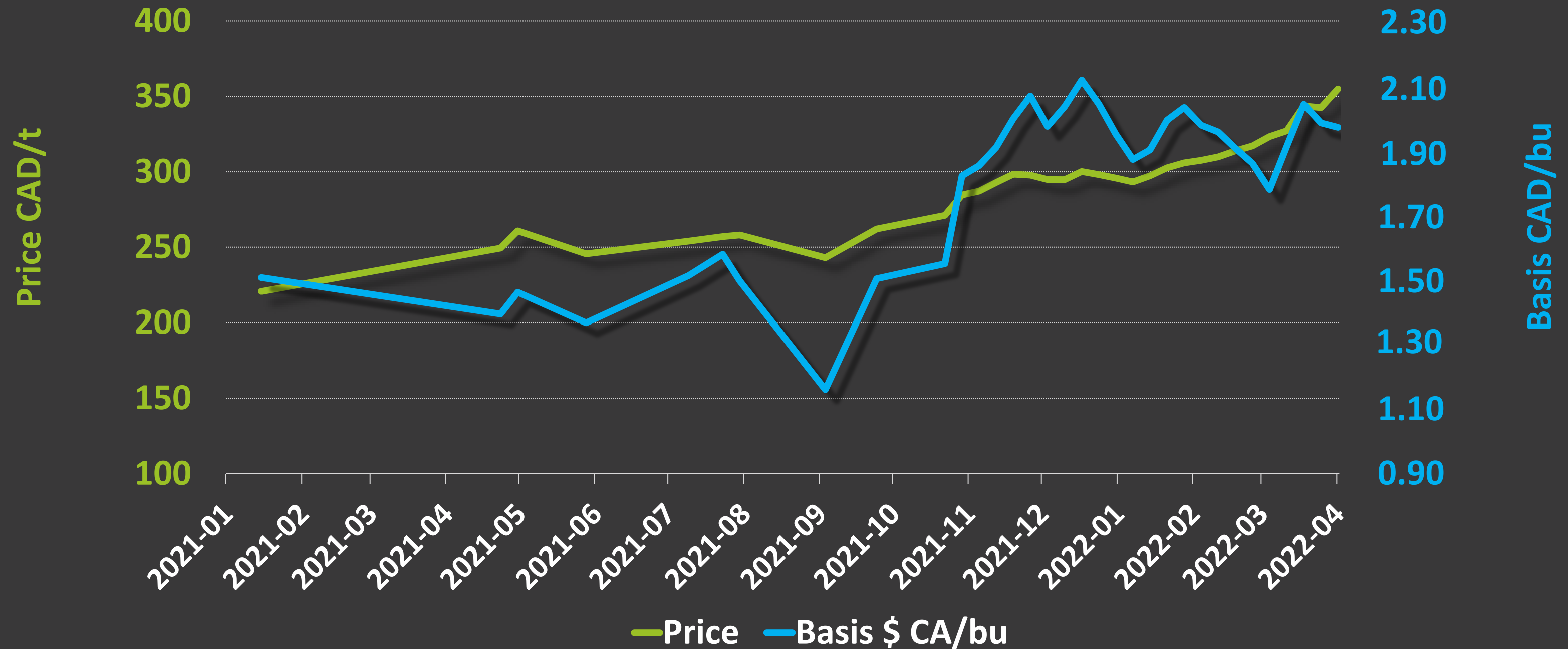
Weighted averages

\$/tonne

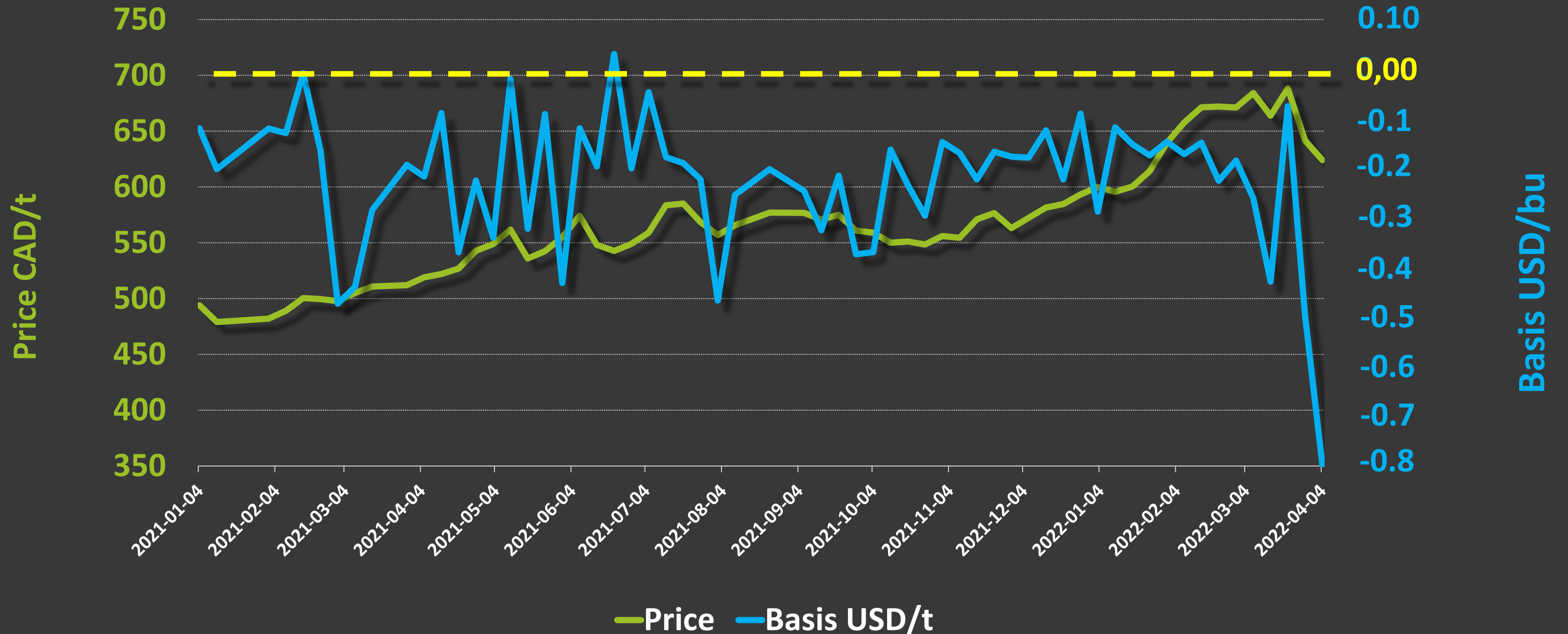
<i>Shipping months</i>	<b>Corn</b>	<b>GM Soybeans</b>	<b>IP Soybeans</b>	<b>Barley</b>	<b>Feed Wheat</b>	<b>Food grade Wheat</b>	<b>Oats</b>	<b>Canola</b>
<b>March 2022</b>	386	784	928	353	508	460	548	-
<b>February 2022</b>	340	732	853	324	412	-	536	1028
<b>January 2022</b>	328	653	732	315	393	-	527	1012
<b>December 2021</b>	317	607	675	323	389	464	405	869
<b>November 2021</b>	298	572	677	323	360	440	400	915
<b>October 2021</b>	291	555	665	285	344	421	354	855
<b>September 2021</b>	347	595	694	299	348	395	321	872
<b>August 2021</b>	362	629	703	294	357	395	303	-
<b>July 2021</b>	355	660	722	297	360	354	276	-
<b>June 2021</b>	366	692	810	300	349	-	324	-
<b>May 2021</b>	374	710	799	335	360	-	-	-
<b>April 2021</b>	324	660	836	266	354	-	301	-



# New-Crop Corn : Price and Basis (Quebec)



# New-Crop Soybeans : Price and Basis (Quebec)







## Pay attention to...

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- Russia-Ukraine war;
- Safrinha corn in Brazil;
- Midwest weather and seeding progress;
- Western Canada's weather;
- Pace of US export sales;
- COVID-19.





## Conclusion

Grain prices started increasing in December, and went much higher with the Russia-Ukraine war. Futures movements have been extremely volatile. The world grain flow is being changed.

World grain supply and demand were already tight before the war in Ukraine because of poor crops in Brazil, Western Canada and the northern US wheat belt.

All the other grain exporters must have excellent crops in order to ensure enough supplies to meet world demand. *The market cannot afford any other production problem!*





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# THANK YOU!



ACCUEIL OÙ SOMMES-NOUS? MISE EN MARCHÉ PROGRAMMES ET SERVICES CONTACTEZ-NOUS

### ÉTAT DES CULTURES

COMMUNIQUEZ AVEC VOTRE CONSEILLER DE LA FADQ

Webinaire sur le marché des grains : Inscrivez-vous dès maintenant!  
Vous avez un doute sur l'état de vos cultures? Communiquez avec votre conseiller de la FADQ.  
Étude sur l'utilisation des outils numériques : participez au sondage des maintenant!  
Participez à l'une des visites à la ferme, présentées dans 11 régions du Québec au cours de l'été!



#### Tendances des prix - août 2019



Scénario prix: Bessier  
Publié le: 16 août 2019  
GALERIE VIDÉO

Mon syndicat

#### Prochains événements

- Lundi 19 août  
Rapport de l'état des cultures USDA - 16 h
- Mercredi 28 août  
Estimation de la production - Statistique Canada
- Jeudi 29 août  
Webinaire sur le marché des grains
- Vendredi 06 sept.  
Stocks - Statistique Canada
- Jeudi 12 sept.  
Estimations basées sur des modèles - Statistique Canada
- Jeudi 12 sept.  
Rapport des offres et demandes vendables - USDA - 12h

#### Les marchés

L'Étalo	L'Étalon	L'Écho-Marché
Chronique TCH	Les Tendances	Production Québec
Rapports - USDA	Livraison des stocks	Prix aux producteurs
Grains bio	Prix des intrants	Plus

#### Agronomie, production durable, recherche et développement



Page de redirection des trois grands axes : agronomie, recherche et développement, et production durable

#### Les marchés de niche



Les Producteurs de grains du Québec exercent une veille constante des nouvelles sur les marchés de niche.

#### PGQ en action



Bienvenue dans la rubrique PGQ en action! Vous y retrouverez nos dernières actualités.

#### Assemblée générale annuelle 2019



#### Le quotidien

À l'instar sur les marchés...  
Vendredi 10 h 41 - L'USDA rapporte une vente de soja de près de 300 000 tonnes pour 2019-2020 pour une destination inconnue.

Transmettez vos ventes!

#### Marché local

Valeurs moyennes FOB ferme

Livraison	Base	Prix
<b>Maïs</b>		
Août-19	2.75 + Sept-19	204 \$/t
Oct-19	1.51 + Déc-19	209 \$/t
<b>Soja</b>		
Août-19	2.55 + Sept-19	428 \$/t
Sept-19	2.55 + Nov-19	432 \$/t
<b>Canola</b>		
Sept-19	+ Nov-19	90 \$/t
<b>Orge</b>		
Août-19		240 \$/t
<b>Avoine</b>		
Août-19		230 \$/t
<b>Blé fourrage</b>		
Août-19		203 \$/t
<b>Blé humaine</b>		
Août-19		250 \$/t

16.08.2019 14:18  
Détail en 10 minutes

#### Marchés boursiers

Chicago (\$ US/bush)

Mars	Dernier prix	Variation
<b>Maïs</b>		
Sept-19	3.7500	-0.0075
Déc-19	3.8900	-0.0900
Mars-20	3.9175	-0.0625
<b>Soja</b>		
Sept-19	8.0075	-0.0175
Nov-19	8.7880	-0.0179
Janv-20	8.9200	-0.0179
<b>Avoine</b>		
Sept-19	3.8025	-0.0050
Déc-19	2.7425	-0.0100
Mars-20	2.7800	-0.0475

Blé fourrage

