

Wheat Market Outlook and Price Report: March 8, 2021
 By Marlene Boersch/ A.P. Temple/ Michael Wilton
 Mercantile Consulting Venture Inc.

i) Background and Rationale for the Report

The following wheat market outlook and price report will be published on a weekly basis on the Sask Wheat Website. The report provides producers with an overview of world wheat markets, a market forecast, and benchmark prices at both the primary elevator and export positions (FOB Vancouver or elsewhere).

The report is made up of several sections. Following this section, a World Wheat overview is provided, which includes a summary of wheat market fundamentals, world production and trade, and a wheat market outlook. This is followed by several price tables, which include primary elevator bids at various Saskatchewan locations (Table 1), grain spreads (Table 2), and FOB port prices and basis (as measured by subtracting the primary elevator price (Rosetown) from the relevant port location price for individual crops) (Table 3). Table 3 is preceded by a description of the various assumptions, definitions and methodology used in arriving at the FOB port prices and in the export basis calculation.

ii) Wheat Market Outlook March 8, 2021

March 2021 AMIS¹ Report on the Global Wheat Balance Sheet:

Wheat	FAO-AMIS			USDA		IGC	
	2019/20	2020/21		2019/20	2020/21	2019/20	2020/21
	est	3 Dec	4 Feb	est	f'cast 12 Jan	est	f'cast 14 Jan
Supply	761.3	761.7	766.5	763.9	772.6	763.7	768.0
	627.7	627.7	632.2	630.3	638.4	630.1	633.7
Utiliz.	1,032.8	1,038.3	1,043.6	1,047.1	1,072.7	1,023.5	1,046.3
	783.8	776.6	781.6	773.7	786.8	771.3	783.1
Trade	750.7	757.6	756.1	747.0	759.5	745.2	752.8
	624.0	627.7	626.2	621.0	624.5	616.3	620.5
Stocks	184.5	184.5	184.5	191.3	192.5	184.3	186.8
	177.7	177.5	176.5	186.0	183.5	177.5	178.7
	277.1	282.9	284.3	300.1	313.2	278.3	293.5
	149.3	143.8	145.0	148.4	154.3	148.2	154.4

Data shown in the second rows refer to world aggregates without China; world trade data refer to exports and world trade without China excludes exports to China.

- The **2020 wheat production** was lifted further on upward revisions for Australia, the EU, Kazakhstan, and the Russian Federation, boosting global production up by 1.7 percent year-on-year to a new record production.
- **Utilization** in 2020/21 is still up y/y but was trimmed this month, mostly on further downgrades to feed wheat usage in the EU due to high prices relative to other feed grains.

¹ AMIS: Agricultural Market Information System. Input comes from the ten organizations that form the AMIS Secretariat: FAO, IFAD, IFPRI, IGC, OECD, UNCTAD, World Bank Group, WFP, WTO, GLAM.

- **Trade in 2020/21** (July/June) is set to surpass the 2019/20 level by 1.2 percent with larger-than-earlier anticipated import prospects in China and Turkey.
- **Ending stocks** (ending in 2021) scaled up further this month, resulting in global inventories to increase by as much as 5.4 percent y/y to a new record.
- **2020 wheat values:** The IGC wheat price index shows a 20% increase in wheat values from last year (Jan. 2020).
- A preliminarily forecast for **global wheat production in 2021** points to a third year of consecutive increase, reaching 780 million tonnes, a new record. The bulk of the projected growth is expected to come from the EU, where wheat plantings are forecast to recover from last year's low, increasing by more than 5 percent in 2021.

Wheat production				
	2019	2020	2021	Change:
		est	f'cast	2021 over 2020
million tonnes				
WORLD	760.7	774.0	780.0	0.8%
Argentina	19.8	17.6	19.0	8.0%
Australia	15.2	33.3	26.0	-22.0%
Canada	32.3	35.2	33.0	-6.2%
China (Mainland)	133.6	134.2	135.5	0.9%
Egypt	9.0	9.0	9.0	0.0%
EU*	155.7	125.2	137.0	9.4%
India	103.6	107.6	109.0	1.3%
Iran	14.5	14.0	14.5	3.6%
Kazakhstan	11.5	14.3	14.0	-1.8%
Russian Fed.	74.5	85.9	79.0	-8.0%
Pakistan	24.4	25.3	26.0	3.0%
Turkey	19.0	20.5	19.5	-4.9%
Ukraine	28.3	25.1	26.0	3.6%
UK	-	9.7	14.0	45.0%
US	52.6	49.7	50.0	0.6%
Other countries	66.9	67.5	68.5	1.5%

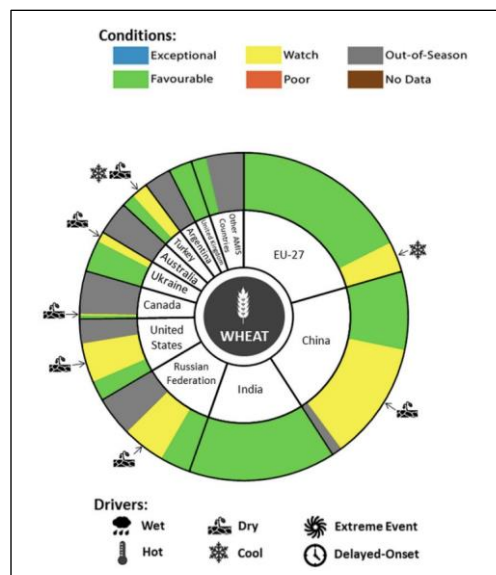
International Grains Council (IGC) Grains and Oilseeds Index (GOI) and GOI sub-Indices

	Feb 2021 Average*	Change M/M	Change Y/Y
GOI	269	+ 0.1 %	+ 39.7 %
Wheat	229	+ 0.0 %	+ 19.8 %
Maize	271	+ 0.9%	+ 45.4 %
Rice	199	+ 0.8 %	+ 17.4 %
Soybeans	273	+ 1.1 %	+ 54.9 %

*Jan 2000=100, derived from daily export quotations

Wheat Crop Condition Report:

- **EU:** conditions are generally favourable for winter wheat with some minor areas of concern in south-eastern Europe due to a recent cold spell, which may have affected crops with limited snow cover.
- **UK:** conditions are favourable.
- **Ukraine:** conditions are generally favourable with adequate snow cover protection; however, below-average soil moisture in the south may affect crops in the spring.
- **Russian Federation:** conditions remain mixed for winter wheat due to continuing dry conditions since last fall in the Southern and North Caucasus.
- **Turkey:** conditions are mixed due to continuing dry conditions and recent cold weather that may have led to winterkill.
- **China:** conditions are mixed for winter wheat with below-average rainfall in the east reducing crop growth.
- **India:** conditions are favourable with an increase in total sown area compared to last year.



- **US:** winter wheat continues are under watch conditions due to dryness and recent below-average temperatures throughout the Great Plains.
- **Canada:** conditions are favourable in the main producing province of Ontario; however, below-average snowfall in the Prairies along with recent cold weather has placed the crop at risk of winterkill.

➤ **Global wheat production and trade:**

There is a lot of competition in the wheat markets as wheat is produced around the world. Below is a brief synopsis on last week's market events in the major wheat origins.

- **Futures** - ay '21 contract Chicago winter wheat (WW) closed at 653, up 2 cents on Friday, *down 7-2 cents on the week.*
May '21 contract Kansas hard red winter wheat (HRW) closed at 626-2, up 5-2 cents in Friday's trade, *down 7-4 cents on the week.*
May '21 Minneapolis hard red spring wheat (HRS) closed at 645-2, up 1-6 cents on Friday, and *up 6-6 cents on the week.*
- **Futures market summary:** Wheat futures ended mixed this week after several days of technical selling. Chic. WW and KC HRW wheat ended the week down, while HRS closed *up 7 cents on the week due to* discussion about lower spring wheat acres not only in the US, but significantly also in Canada because of all-time record high canola prices.

CBOT May 2021 Wheat (1 yr.)



KC May '21 Wheat



Mpls. May '21 Wheat

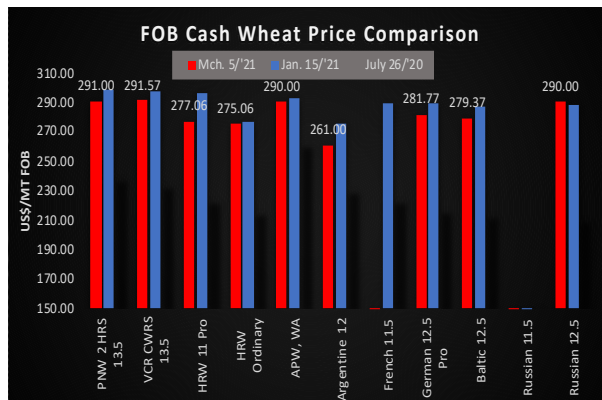
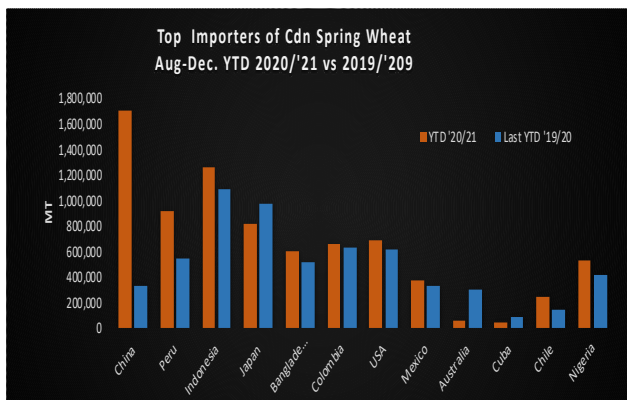


Canadian Wheat:

- Per our note in the Futures section, HRS closed *up 7 cents on the week due to* views about lower spring wheat acres in the US, as well as in Canada due to all-time record high canola prices. However, futures were lower again on Monday morning.
- **Deliveries of Canadian wheat** remained high at 514k mt in week. 30. Canadian **wheat exports** at 329k mt were also excellent last week. The season total is 11.4 million mt, a full 2.5 million mt higher than last year to date.
- StatsCan January **exports by destination:** Total Jan.'21 exports amounted to 2 million mt, and the August to January total to 10.8 million mt, 33% *higher (+2.7 million mt) than last years.* Canada's biggest wheat importers have been China (1.7 million mt), followed by Indonesia (1.3 million mt), and Japan (816k mt). The biggest volume gains over last year were to China (+1.4 million mt), to Peru (+374k mt), and to Indonesia (+182k mt).

('000 mt)	Terminal			(Feb. 28/'21)
	Prod. Dlvs.	Rcpts.	Bulk exports	Dom. Disappearance
Wk. 30	513.7	323.4	328.9	37.1
Week ago	421.6	263.3	144.9	53.1
YTD	12,926.7	13,055.8	11,370.0	2,411.0
Last YTD	12,194.9	10,200.1	8,892.4	2,315.9
YTD less Last YTD	731.8	2,855.7	2,477.6	95.1
YTD over Last YTD	106%	128%	128%	104%

Mercantile based on weekly CGC Handling Data



- N American and Canadian wheat has gained in competitiveness over last year, although the recent increases in ocean freight may be a detriment to some destinations.
- The wheat outlook continues to look neutral for the present based on better prospects for winter production from Europe and the fact we don't expect anything bullish from the WASDE report. However, in our mind wheat is currently undervalued compared to soybeans and corn.
- Wheat bids on the Prairies have held fairly steady, with feed wheat at ~\$7.50/bu in W SK, while 2 CWRS 12.5 (a readily exportable quality) can fetch ~7.80-7.90/bu, and 1 CWRS 13.5 up to \$8.10/bu. - *We would sell spring wheat at \$7.60 per bushel or better.*

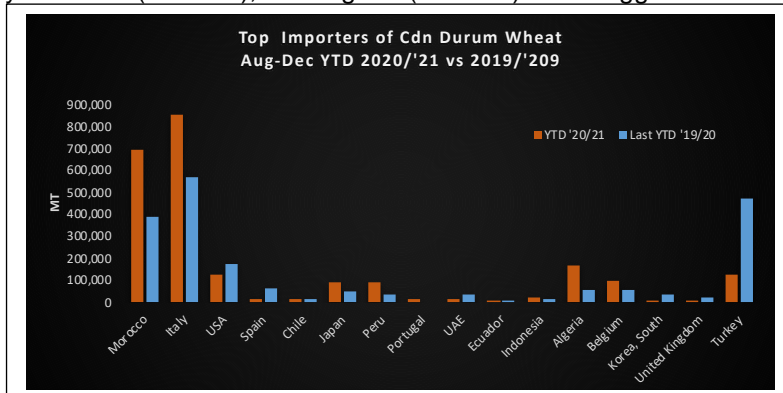
- **Canadian durum exports** for week 30 at 142k mt were good as well, for a year-to-date total of 3.4 million mt, *24% higher than last year-to-date.*

('000 mt)	Durum		Wk. 30	
	Prod. Dlvs.	Terminal Rcpts.	Bulk exports	Dom. Disappearance
Wk. 30	147.5	107.8	142.4	12.0
Week ago	159.2	95.1	140.3	3.6
YTD	3,754.1	4,163.3	3,417.8	322.3
Last YTD	2,805.7	3,343.8	2,749.0	222.3
YTD less Last YTD	948.4	819.5	668.8	100.0
YTD over Last YTD	134%	125%	124%	145%

Mercantile based on weekly CGC Handling Data

- **StatsCan Jan. '21 durum exports** came in at 464k mt, and the Aug. to Jan. exports at 2.8 million mt, 24% (+543k mt) higher than last year to date.

- Canada's biggest durum importers have been Italy (855k mt), followed by Morocco (696k mt), and Algeria (166k mt). The biggest volume gains over last year were to Morocco (+305k mt), to Italy (+288k mt), and to Algeria (+110k mt). However, *exports to Turkey are down by 344k mt.*



- Old crop durum in Saskatchewan is bid at ~\$8.55-\$8.80/bu. We were holding out for \$9.00/bu FOB farm but would sell within 10-15c/bu of that. New crop durum is bid at \$8.25-\$8.50/bu FOB farm Sk.

US Wheat:

- Big areas of the **US Plains** are still in drought, with little precipitation in the forecast and temperatures warming to well above normal levels.
- Weekly **US export sales** of 219k mt for '20/21 were up 31% from the previous week, but down 51% from the prior 4-week average. - *We note that with 17.6 million mt (648 million bu) of US wheat sold, year-to-date US export sales now lag last years by 3.5%. The US forecast is for 26.8 million mt (985 million bu).*

- Analysts surveyed ahead of the **March WASDE report** (on Tuesday) predict that the USDA will add 2.4 million bushels to wheat stocks, which would leave 838.4 million bushels of carryout. Global wheat stocks are estimated to be 304.5 million tonnes, up 300,000 mt from the Feb report. Cash grain prices all remained firm ahead of next Tuesday's WASDE report.
- US HRS for April '21 is valued at \$291/mt FOB PNW (down \$1.00/mt), PNW White wheat is valued at \$285/mt FOB PNW (down \$7.00/mt), FOB Gulf HRW 11/12.5 pro is valued at \$277.06/mt (down \$16/mt from last week).

Australian wheat:

- Aussie wheat futures headed for their lowest weekly close since early December.
- Meanwhile, FOB markets are seeing some disruption in Western Australia. Recent heavy rain has damaged rail tracks, which along with a commercial train derailment has led to Force Majeure claims in the Kwinana Zone. The tracks could take one to two weeks to repair.
- Australian new crop FOB APW wheat values for June closed at \$290/mt, unchanged from the previous week. *There still are no offers for April-May '21.*

Argentine wheat:

- Argentine FOB wheat was again nominally unchanged although still with a very wide bid-offer spread, but at about \$30 FOB below French wheat values, on paper it would be a serious contender if Algeria were to return with a wheat tender.
- Argentine wheat continued to be the world's cheapest cash wheat.
- FOB values for April 12% protein wheat were \$256-266/mt.

EU wheat:

- French wheat conditions are at a 4 yr. high, which saw some pressure come on Matif markets and net longs dropped substantially!
- Matif wheat fell €1/mt.
- EU cash premiums firmed upon news of the 1 million mt jump in EU shipments: French soft wheat shipments outside the EU increased in February as loadings to Algeria and Morocco rose again, offsetting a lull in exports to China.
- Algeria finally announced a tender for Tuesday, which should be filled by EU wheat with potentially some competition by Argentine wheat.
- *April FOB prices in the EU:* French 11.5 pro closed at \$292.64/mt, down \$7.53/mt from last week. German 12.5 pro was down by \$10.90/mt to \$281.77/mt. Baltic 12.5 pro dropped by \$4.45/mt on the week to \$287.00/mt.

Black Sea wheat:

- The state of affairs in **Russia and the Black Sea** remains complicated by the recent €50/mt Russian export tax policies. How farmers there will react in the longer term still is a matter of much speculation and few certainties. And while Russia is absent from the market and in addition crop conditions in the N Hemisphere are unclear (i.e., there winter damage?), *the wheat market will remain tough to trade.*
- Rosstat in Russia raised the final '20/21 wheat crop to 85.9 million mt, "official" Jul-Feb export figures ranged from 32 million mt to 34 million mt, but the €50 export tax combined with the \$40-50/mt old crop-new crop inverse have effectively brought export business to a halt.
- According to weather forecaster Hydrometcentre, a **mild Russian winter** has dramatically improved the condition of winter grain sowings, which were previously hit by a dry autumn, signalling brighter prospects for the country's 2021 crop. The portion of winter grain sowings in poor condition was at a 7-year high of about 22% in early December as farmers planted in dry soil.
- Acc. to Taras Vysotskiy, deputy economy minister in charge of agriculture, most **Ukrainian winter grain crops** are in excellent condition thanks to favourable weather that could lift the 2021 harvest to a record high above 75 million tonnes.
- Black Sea new crop prices remain very nominal as Russian wheat is impossible to trade. but today's Korean tender should help put a price on Ukraine Jul-Aug feed wheat.

- The reported FOB offer for March Russian 12.5 pro wheat closed at \$290.00/mt (nominal value), up \$1.53/mt from last week.

➤ **Significant purchases/ trades:**

Cash trade last week for wheat was very limited as the Russian cash prices remain undetermined due to the export tax and inclement winter weather.

- **Japan** is tendering for 82,937 mt of wheat, which is likely to include some Canadian wheat.
- **Algeria** issued an international wheat tender for Tuesday for 50,000 mt.
- **Pakistan** is tendering for 300,000 mt of optional origin wheat.
- Sunday's **S Korean** tender should help put a price on Ukraine Jul-Aug feed wheat.
- However, Saudi Arabia (SAGO) and Egypt (GASC) remain absent from the market.
- **Net US wheat export sales** of 219,000 mt for '20/21 were up 31% from the previous week, but down 51% from the prior 4-week average. - *We note that with 17.6 million mt (648 million bu) of US wheat sold, year-to-date US export sales now lag last years by 3.5%. The US forecast is for 26.8 million mt (985 million bu).*

➤ **Wheat Market Outlook:**

Significant events:

- The **state of affairs in Russia** and the Black sea remains complicated by the recent export tax policies. How farmers there will react in the longer term still is a matter of much speculation and few certainties.
- **Russia's Hydrometcenter said winter crop conditions** had "dramatically" improved but added that 7-9% of the crop was in 'bad' condition against 4% last year.
- **Minneapolis** was the only wheat mkt to close up last week: HRS closed *up 7 cents on the week due to* discussion about lower spring wheat acres not only in the US, but significantly also in Canada because of all-time record high canola prices.
- Meanwhile, **French wheat conditions** are at a 4 yr. high, which saw some pressure come on Matif markets and net longs dropped substantially.
- We note that with 17.6 million mt (648 million bu) of US wheat sold, **year-to-date US export sales now lag last years by 3.5%**. The US forecast is for 26.8 million mt (985 million bu).
- **Argentine wheat** continued to be the world's cheapest cash wheat.
- A preliminarily forecast for **global wheat production in 2021** points to a third year of consecutive increase, reaching 780 million tonnes, a new record. The bulk of the projected growth is expected to come from the EU, where wheat plantings are forecast to recover from last year's low, increasing by more than 5 percent in 2021.
- **Ocean freight:** The Panamax market charged higher in the first half of February and reached a ten-year peak by mid-month, with activity centred on front-haul deliveries out of the US Gulf and the Black Sea region, where logistics were reportedly affected by wintry weather. Despite a recent retreat, average segment earnings were 24 percent higher m/m.

	February-21 average	Change m/m	Change y/y
Baltic Dry Index (BDI)*	1478.7	-10.8%	+221.0%
<i>sub-Indices:</i>			
<i>Capesize</i>	1544.3	-40.9%	n/a
<i>Panamax</i>	1977.9	+24.3%	+193.1%
<i>Supramax</i>	1310.1	+19.9%	+155.1%
Baltic Handysize Index (BHSI)**	792.4	+19.0%	+159.3%

Sources: Baltic Exchange, IGC
 *4 January 1985 = 1000. **23 May 2006 = 1000.
 ***1 January 2013 = 100.

➤ **Outlook:**

The wheat outlook continues to look neutral for the present based on better prospects for winter production from Europe and the fact we don't expect anything bullish from the WASDE report. However, in our mind wheat is currently undervalued compared to soybeans and corn. But while Russia is absent from the market

and in addition crop conditions in the N Hemisphere are unclear (winter damage), the wheat market will remain tough to trade. - We would sell spring wheat at \$7.60 per bushel or better.

iii) Primary Elevator Price Tables and Grade Spreads

Table 1: Canadian Primary Elevator Bids, in Canadian Dollars per Bu and per MT

Date: 08-03-2021					
NW Sask	Spot		NW Sask	Deferred	
	(bu.)	(mt)		Aug. '21 (bu.)	Aug. '21 (mt)
1 CWRS 13.5	\$7.89	\$289.91	1 CWRS 13.5	7.44	\$273.38
1 CWAD 13.0	\$8.56	\$314.53	1 CWAD 13.0	7.97	\$292.85
1 CPSR 11.5	\$7.23	\$265.66	1 CPSR 11.5		
SW Sask			SW Sask		
1 CWRS 13.5	\$7.66	\$281.46	1 CWRS 13.5	7.30	\$268.23
1 CWAD 13.0	\$8.60	\$316.00	1 CWAD 13.0	8.1	\$297.63
1 CPSR 11.5	\$7.22	\$265.29	1 CPSR 11.5		
NE Sask			NE Sask		
1 CWRS 13.5	\$7.67	\$281.83	1 CWRS 13.5	7.31	\$268.60
1 CWAD 13.0	\$8.38	\$307.91	1 CWAD 13.0		
1 CPSR 11.5	\$6.94	\$255.00	1 CPSR 11.5		
SE Sask			SE Sask		
1 CWRS 13.5	\$7.52	\$276.31	1 CWRS 13.5	7.17	\$263.45
1 CWAD 13.0	\$8.45	\$310.49	1 CWAD 13.0	7.72	\$283.66
1 CPSR 11.5	\$6.98	\$256.47	1 CPSR 11.5		

Table 2: Grade Spreads, in Canadian Dollars per Bu and per MT

Avg. Grade Spread/ Pro Discounts	Cdn\$/bu.	Cdn.\$/mt
1 CWRS 13.5	Base Grade	Base Grade
2 CWRS 13.5	(0.15)	(5.51)
1 CWRS 12.5	(0.30)	(11.02)
1 CWAD 13.0	Base Grade	Base Grade
1 CWAD 13.5	0.00	0.00
2 CWAD 13.5	(0.10)	(3.67)
2 CWAD 12.5	(0.30)	(11.02)

iv) FOB Wheat Prices and Export Basis Calculation

Background and Rationale:

Reporting FOB prices at port position and primary elevator prices allows the reader to gain an understanding of both local and international wheat prices and to understand the relationship between the two, as measured by the export basis. Export basis can be defined as FOB port position prices minus the primary elevator prices at any given prairie delivery location and is therefore reflective of transportation costs plus any premiums being captured by terminal grain elevator companies or the railway companies, at any given time.

In general, a widening basis is indicative of decreasing system performance in terms of either reduced port capacity or rail service, or both. A narrowing basis is indicative of increased available port capacity and/or better ability of the railways to provide ample service to grain shippers. In this regard, tracking these prices over time has value both in terms of producers being able to time the selling of their grain but also in terms of evaluating and setting policy related to various transportation and capacity issues.

Gray (2015) has calculated a normal basis to be in the range of C\$72/mt. During the 2013/14 crop year the export basis for wheat widened to approximately C\$250/mt, which indicated an inability of the grain handling and transportation system to adequately handle the record crop produced that year. This occurrence has highlighted the need to improve the level of rail service and take measures to expand port capacity where possible. It has also underscored the need for better price transparency and market information within the grain sector.

Assumptions, Definitions, and Methodology

The following background information should assist in understanding and interpreting international market signals and to relate them to the 'local' Saskatchewan wheat market:

- The price information generated for the weekly report is designed to show farmers at what price levels several wheat classes are trading at local primary elevators (Table 1) and in nearby international markets (Table 3). To express the Export Basis² (see *Export Basis* in Table 3) defined as Canadian FOB Prices minus primary elevator bids, the FOB prices are translated into Canadian dollars from US dollars and compared to current actual primary elevator Street prices at Rosetown, Saskatchewan (see *Street Prices* in Table 3). Rosetown is used as a proxy for all primary elevators in the basis calculation. The actual handling and transportation costs from the West Coast to delivered elevator (Rosetown area) range from ~C\$58.00-C\$74.72/mt, depending on number of cars moved and elevator used.
- Approximate relationship between U.S. wheat classes and Canadian wheat classes:
 - DNS 14% in the Pacific North West (PNW) ≈ 1 CWRS 13.5% in Vancouver
 - HRS in the Pacific North West (PNW) ≈ 2 CWRS 13.0% in Vancouver
 - HRW in the Pacific North West (PNW) ≈ 3 CWRS in Vancouver
 - SW (lowest price wheat) ≈ CPS red (mostly fed domestically)
 - HAD (Lakes) ≈ CWAD (Thunder Bay/ Lawrence)
 - Abbreviations: DNS (Dark Northern Spring Wheat); HRS (Hard Red Spring Wheat); HRW (Hard Red Winter Wheat); SW (Soft Wheat); HAD (Hard Amber Durum Wheat); CWRS (Canadian Western Red Spring Wheat); CPS (Canada Prairie Spring Wheat); CWAD (Canadian Western Amber Durum Wheat)
- Hard wheat price calculations:

² Gray, R.S. (2015). The Economic Impacts of Elevated Export Basis Levels on Western Canadian Grain Producers 2012/13, 2013/14 and 2014/15.

“The difference between FOB Vancouver prices and the Saskatchewan elevator cash bids to producers is referred to as export basis: Basis can refer to the difference between any two prices. As the largest volume port, Vancouver FOB, minus the elevator bid prices representative measure of the “export” basis for grains in Western Canada.”

Exporters in Western Canada generally derive their primary elevator wheat prices from HRS values at the West Coast (Pacific Northwest - PNW).

Similarly, HRW values are used for lower grade (3) CWRS.

- West Coast HRS and HRW values essentially dominate the international hard wheat trade and determine its basic value.
- If premiums are paid for 1 CWRS 13.5, elevator companies are often able to retain the premium

➤ Durum wheat price calculations:

The primary export route for Canadian durum wheat is still through Thunder Bay, not the West Coast of Canada.

- Nevertheless, the Pacific Coast has increased in importance for durum over time with 38% of total export volume crop year to date.
- Italy is the single biggest buyer of Canadian durum wheat with 27% of total Canadian durum exports year-to-date (East Coast shipments).

➤ Optional origin grain sales:

Most major international grain companies sell 'optional origin' wheat to their customers and often cover their sales 'at best' closer to the shipment position. The Canadian grain system is not conducive to servicing optional origin sales because the volume of wheat kept in storage in port today is much smaller than prior to deregulation of the Canadian wheat market.

Table 3: Relevant FOB Prices and calculated Basis, US & Canadian Dollars per MT

Relevant FOB Prices and Export Basis				08-03-2021
Type of Wheat	FOB Prices CDA ¹ (calculated)		Street Prices	Export Basis ²
	West Coast (Cdn./mt\$)	Great Lakes (Cdn.\$/mt)	Rosetown (Cdn.\$/mt)	Basis: West Coast-Centr. SK (Cdn\$/mt)
DNS 14.0	\$350.92	\$380.24		
HRS	\$343.94			
HRW 11.5	\$353.71			
SWW 12.0	\$355.57			
1 CWRS 13.5 ³	\$350.92		\$280.72	\$70.19
2 CWRS 13.0 ³	\$343.94		\$266.03	\$77.91
3 CWRS ³	\$353.71		\$264.56	\$89.15
CPS ³	\$349.06		\$244.72	\$104.34
1 CWAD ⁴		\$373.72	\$301.67	\$72.05
Competing wheat:	US\$/mt			
Russia 12.5 (Black Sea, 25k mt)	\$290.00	April		
French 11.5 (Rouen)	\$292.64	April		
ASW 10.5 (W Coast)	\$286.00	April		
Argentina 12.0	\$261.00	April		

¹ FOB Prices CDA = FOB US\$ converted into Canadian Currency

² Export Basis = FOB Prices CDA minus Cdn. Street Price

³ DNS 14% ≈ 1 CRWS 13.5%; HRS ≈ 2 CWRS 13.0%; HRW ≈ 3CWRS; SWW ≈ CPS

⁴ Values derived to Lakehead FOB

ADDENDUM

Futures Driven Basis Calculation, Canadian Dollars per MT

Canadian Wheat - World Price Parities				08-03-2021
Canadian Funds	Grade			
PNW value/Vancouver	2CWRS	3CWRS	Winter wht.	CPS
Dec/Jan delivery	\$9.18	\$9.45	\$7.50	\$7.50
Parity Track Rosetown	\$7.69	\$7.95	\$8.00	\$8.00
Track Bid Rosetown Area	\$7.24	\$7.20	\$6.66	\$6.66
Gross Margin at Elevator (\$/bu)*	\$0.45	\$0.75	\$1.34	\$1.34
Gross Margin at Elevator (\$/mt)*	\$16.41	\$27.65	\$49.36	\$49.36
* to cover elevation, elevator market risk, margin				