

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					3-Jan-20			
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago				
SRW Wheat	Mar	203.75	204.39	189.97	Soybeans	Mar	345.94	346.04	338.60				
HRW Wheat	Mar	174.53	176.28	185.92	Soya Meal	Mar	273.23	272.51	289.38				
HRS Wheat	Mar	201.17	203.56	209.53	Soya Oil	Mar	773.41	772.53	631.43				
CWRS Wheat	Spot	242.39	n/a	260.73	Canola	Jan	469.60	463.10	485.40				
CPS Wheat	Spot	214.93	n/a	233.24	Crude Oil(WTI)	Mar	62.75	61.52	48.38				
Corn	Mar	152.16	153.54	150.78	Dollar Index	Mar	96.55	96.75	95.76				
Ethanol	Mar	36.38	38.07	34.66	S&P 500	cash	3,238	3,243	2,533				
Oats	Mar	193.23	187.07	181.56	Canola, new crop	Nov	496.20	493.20	498.00				
Data in red are 12-month highs, blue are 12-month lows, green revised					Wheat SRW, new crop					Dec	211.83	210.73	206.04
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn, new crop					Dec	157.77	169.48	158.65

COMMENT: Most of an otherwise fragile recovery in farm commodity prices was eliminated on Friday by the news of a successful US attack on an iconic Iranian military leader in Iraq. That it was successful might be considered reason for progress in resolving challenges in the region and positive for the global economy and commodity values. The fear, of course, is that it will result in a like response from Iran.

Otherwise market news over the holiday has been limited. Weather reports from the southern hemisphere indicate South American crops do not appear to be immediately threatened. Australian wild fires are generally away from agricultural areas. The Chinese central bank has lowered their reserve requirement for commercial banks, thus making more funds available for lending, a stimulus for the Chinese economy and demand.

NEWS: China renewed import licenses for a number of genetically modified varieties of corn, soybeans and canola which is seen as being positive for Phase One of the US China trade deal and possibly relationships with Canada.

For corn and wheat export sales for the week ending December 26 were towards the lower end of the range of trade expectations and for soybeans just below that range. But with Christmas part of the reporting period the data may not be too meaningful in terms of continuing business. It is evident that over the last few weeks there has not been a rise up in US export sales as agreement on agricultural trade issues with China have appeared to be closer to resolution.

In the fall of 2017, before Chinese import tariffs on US soybeans, the level of outstanding US soybean export sales peaked at just under 20 million tonnes, equivalent to almost 18 weeks of actual exports suggests a fair degree of speculation by importers. In 2018, after the imposition of Chinese import tariffs, the peak was 17 million tonnes and this year only 13 million tonnes.

OPINION: The US President named the day - January 15, when an agreement on Phase One of the de-escalation of the US-China trade war will be signed. There is concern that detail on the agreement is sketchy. But it is within the realms of possibly that Trump does not know much more than he has tweeted. For him the critical issue is that there will be a well publicized "photo op" for a White House signing ceremony.

Those involved in the negotiations are probably aware that the less the President knows the less likely any agreement is to become unravelled. This is not to belittle the progress that Phase One represents. It may only cover the less contentious issues. But it should indicate that the direction of developments has been turned around.

David Walker, Edmonton, AB, CA

