

Crop and Related Prices, Can or US\$/tonne, US\$/l ethanol					Oilseeds & Other Prices, Can or US\$/tonne or index					31-Dec-20
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	235.35	230.38	203.75	Soybeans	Jan	483.28	464.26	345.94	
HRW Wheat	Mar	221.75	216.42	174.53	Soya Meal	Jan	394.07	378.06	273.23	
HRS Wheat	Mar	220.19	214.13	201.17	Soya Oil	Jan	955.30	922.45	773.41	
CWRS Wheat	Spot	n/a	n/a	242.39	Canola	Jan	634.90	630.90	469.60	
CPS Wheat	Spot	n/a	n/a	214.93	Crude Oil(WTI)	Mar	48.53	48.42	62.75	
Corn	Mar	190.54	177.55	152.16	Dollar Index	Mar	89.88	90.25	96.55	
Ethanol	Mar	38.46	35.61	36.38	S&P 500	cash	3,742	3,703	3,238	
Oats	Mar	233.92	217.54	193.23	SRW Wheat	Dec	229.56	229.56	211.83	
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn	Dec	171.15	167.12	157.77	
Data in red are 12-month highs, blue are 12-month lows, green revised					Canola	Nov	541.00	533.50	496.20	

COMMENT: Another week of higher prices for just about all crops, with supportive factors on both the supply and demand side of the global balance sheet. South American crop conditions continue mixed with prospects in dry areas suffering more from continuing dry condition than others areas not seemingly benefitting as much from further moisture. US weekly export sales data soybeans and corn were at the higher end of the range of pre-report expectations. While the Argentinean labour strikes which have restricted crop exports were resolved the Argentinean government imposed an embargo on corn exports until March 1. A weak US dollar benefitted US prices but not of crse Canadian values.

NEWS: With very significant over head costs, the railways work 24-7, or as close to it as their clients allow. The Christmas break, however, does seem to result in something of a pause after which the eastern Lake Shipping season is usually closed and western winter conditions start to be more challenging.

To week 21, which includes some of the Christmas break this year, bulk exports are running about 30 percent, or about five weeks, ahead of last year's pace. Total export and domestic disappearance is about 17 percent above a year ago.

On the expectation that what grain companies were buying before Christmas, had in store over the holiday, they expected to move early in the New Year, the favourable pace of crop movement can be expected to continue weather permitting. Prospects for canola and peas seem to be particularly positive in that respect.

OPINION: While we rather glibly suggest higher prices are necessary to limit consumption of crops globally in short supply, for many nations that is simply not a politically acceptable option. Russia imposed export tariffs on wheat earlier in the month with domestic price controls a probable objective. While the EU's Common Agricultural Policy no

longer seems to have provision for such price stabilization measures, certain member states may go this route as Romania seems to have done.

Argentina has export tariffs on a wide variety of food commodities for most to the time to stabilize domestic food prices. While the recent labour strikes continued, the unions were doing this job for the government. But as soon as the disputes were resolved a two-month corn export embargo was imposed. While the trade implicated by these measures may not be great, they do reduce the scope of the rationing factor. The situation is different in China. Over the years the Chinese government has accumulation massive stocks of wheat and corn which they have now started to auction off. But they are not reported to have the same reserves of soybeans. Quite how the Chinese will work this if the objective is to limit increases in meat prices remains to be seen!

Stay safe and have a better 2021!



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