

| Crop and Related Prices, Can or US\$/tonne | | | | | Oilseeds & Other Prices, Can or US\$/tonne or index | | | | | 31-Dec-21 |
|--|--------|-----------|-----------|----------|---|--------|-----------|-----------|----------|-----------|
| Commodity | Mont h | This week | Last week | Year ago | Commodity | Mont h | This week | Last week | Year ago | |
| SRW Wheat | Mar | 283.20 | 299.37 | 235.35 | Soybeans | Mar | 488.24 | 492.65 | 483.28 | |
| HRW Wheat | Mar | 294.50 | 300.11 | 221.75 | Soya Meal | Mar | 373.47 | 363.54 | 394.07 | |
| HRS Wheat | Mar | 360.83 | 379.38 | 220.19 | Soya Oil | Mar | 1,241.25 | 1,221.84 | 955.30 | |
| CWRS | | | | | Canola | Mar | 1,012.80 | 974.79 | 634.90 | |
| Wheat | Spot | n/a | n/a | n/a | Crude Oil(WTI) | Mar | 75.02 | 73.40 | 48.53 | |
| CPS Wheat | Spot | n/a | n/a | n/a | Dollar Index | Mar | 95.62 | 95.99 | 89.88 | |
| Corn | Mar | 233.65 | 238.47 | 190.54 | S&P 500 | cash | 4,781 | 4,704 | 3,742 | |
| Oats | Mar | 442.87 | 458.43 | 233.92 | Canola | Nov | 771.70 | 765.30 | 541.00 | |
| | | | | | SRW Wheat | Dec | 282.93 | 296.43 | 233.97 | |
| | | | | | Corn | Dec | 214.95 | 217.11 | 171.15 | |

Data in red are 12-month highs, blue 12-month lows, green revised
 For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: The salient feature of markets over this holiday period pressure from news of some rain in drought areas Brazil. This does not appear to have sufficient or widespread enough to signal the end of the drought but pressured North American crop prices.

NEWS: Ever evident weather forecasts aside, the week between Christmas and New Year is a quiet one for market reports and news. This week has been no exception. The USDA did, however, publish its weekly export sales data. Wheat, corn and soybean sales were 0.2, 1.2 and 0.5 million tonnes during the week leading up to Christmas. The corn data was a head of trade expectations. Cumulative data for the crop years is 76, 93 and 71 percent of year ago sales for wheat, corn and soybeans, respectively.

And digging a little deeper than usual into the data, sales of 0.2 million tonnes of corn to Canada were featured without standing sales of 2.1 million tonnes about eight times a year ago and cumulative export movements of 0.9 million tonnes, about four times a year ago. This was to be expected as Ag Canada predicts corn imports of 3.0 million tonnes, double last year's level and the largest level of imports since 2002-03, another year of drought reduced Prairie crops. This corn is undoubtedly replacing domestic barley in livestock rations which is finding more remunerative markets offshore. The Canadian Wheat Board would never have allowed this.

OPINION: As we move into 2022 thoughts turn to harvest prospects. Soil moisture must still be the major concern to most farmers. For a change new crop prices appear relatively positive even if at a discount to current levels. A challenge lies, however, with input costs and specifically fertilizer prices. Alberta Agriculture's input price monitoring recorded an Anhydrous Ammonia price for November, the most recent available, of \$1,372 per tonne, up over 20 percent from October and 65 percent from a year earlier. The cost of natural gas a major component of nitrogenous fertilizer production is blamed for the eye watering cost increases.

That increased costs of natural gas should be the cause of these price increases might come as a surprise. The cost of natural gas, as opposed to the cost of its delivery, has been quite modest in recent years. This came to a rather abrupt end this summer with natural gas prices doubling.

Increases in crude oil prices, the use of natural gas as an easy option for phasing out of coal and geopolitical challenges in eastern Europe have been cited as the drivers of the increase. But we would not claim to have any insight into these factors. Recognizing what has happened in the past may not be a good guide to the future, we would observe that advances in natural gas prices have not lasted long. But lowered natural gas prices in recent weeks suggests that 2021/22 may not be an exception in this.

The question may then be how quickly fertilizer prices will decline with lower natural gas costs in what may be a busy spring fertilizer season, particularly if some fall application was postponed.



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