

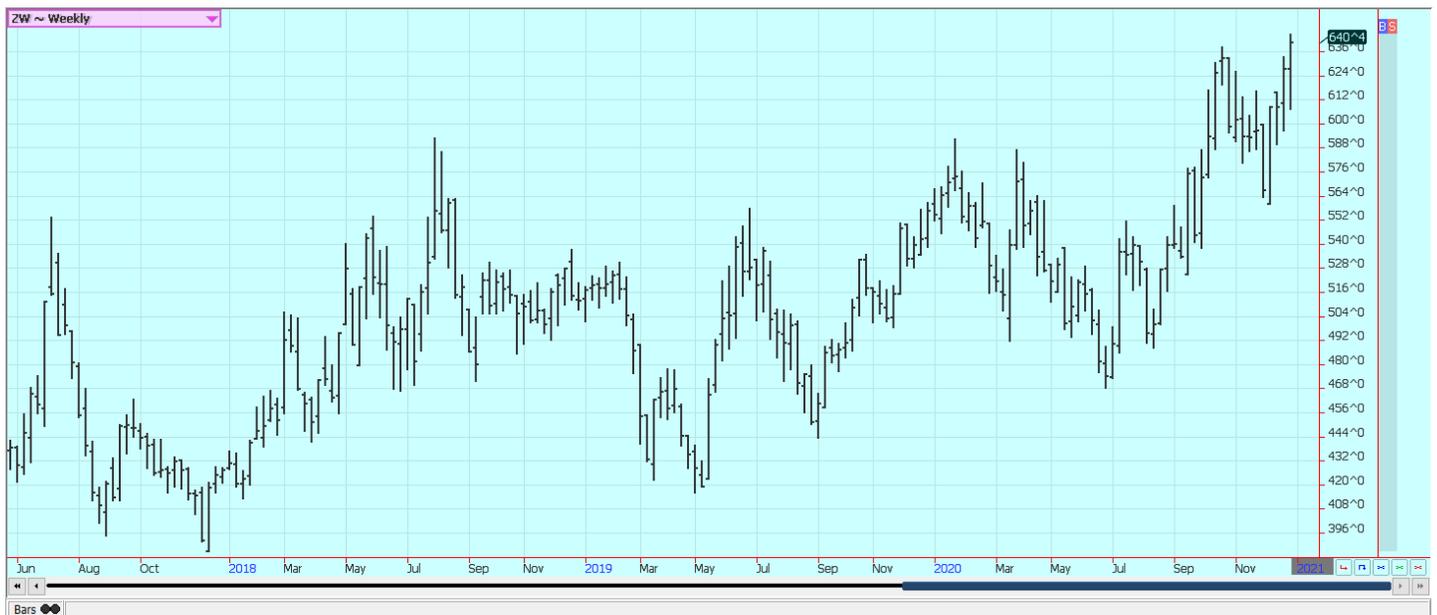
# December 28th, 2020

By Jack Scoville

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Wheat: Winter Wheat markets were higher as world markets remained strong and despite forecasts for rain and snow in the southern Great Plains. Rain and snow is in the forecast for today in the Great Plains and will be beneficial to crops in the region. Then it will get very cold. US prices remain very close to international prices and US markets have searched for new demand. Export demand has started to improve with the close price relationships but remains moderate. World prices have worked higher even with additional supplies available to the market as Russian prices remain elevated. Australian supplies have increased as its harvest is moving forward. US weather is mixed with still dry conditions in the western Great Plains. Some precipitation was reported in the eastern Great Plains and in parts of the Midwest.

## Weekly Chicago Soft Red Winter Wheat Futures

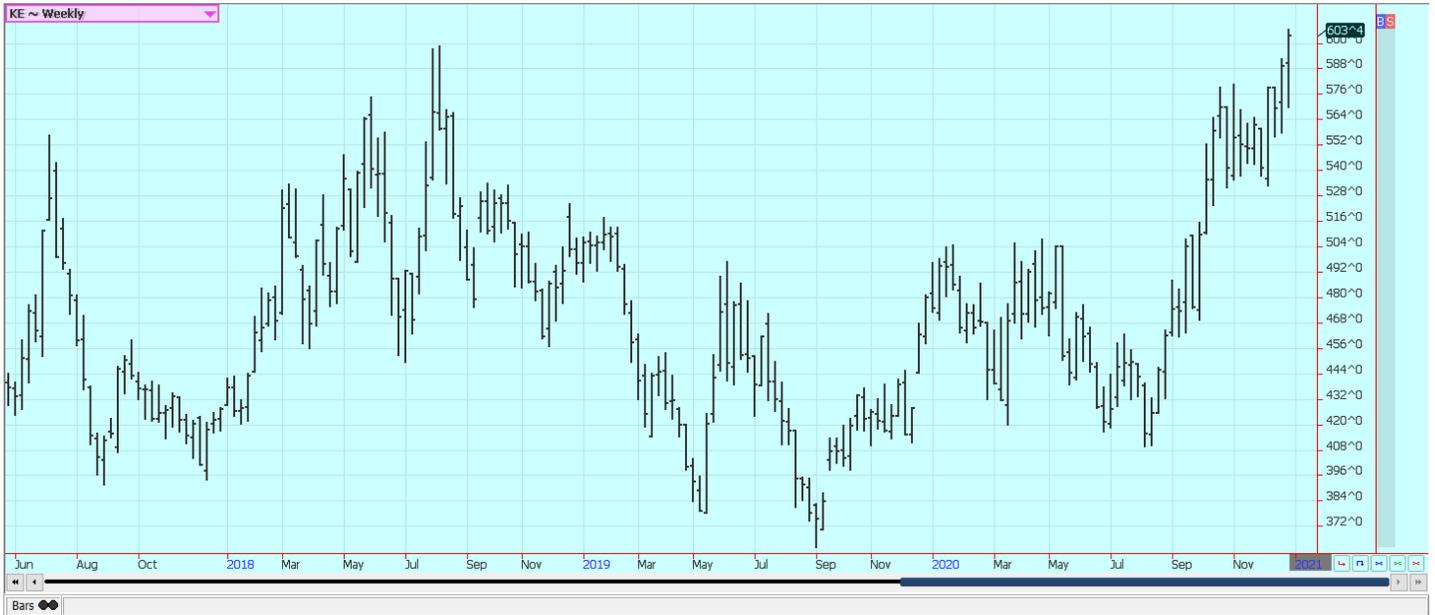


## Weekly Chicago Hard Red Winter Wheat Futures

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### Weekly Minneapolis Hard Red Spring Wheat Futures



Corn: Corn and Oats were both higher, with Corn higher amid worries about the dry weather in South America. Trends are up in both markets. Export demand has held strong as US Corn is about the cheapest feed grain in the world market. Domestic demand has been less due to reduced demand for ethanol processing and questions about feed demand. It has rained in central and

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northern Brazil over the weekend. Southern Brazil and Argentina were mostly dry. Drought could develop in Brazil and Argentina as the overall weather patterns have been dry and as dry weather is in the forecast for Argentina and southern Brazil. The drought is especially serious in South America for the first Corn crop but the second crop could also be affected due to late planting in central and northern Brazil. Dry weather has delayed the Soybeans planting and that will delay the second Corn planting later.

### Weekly Corn Futures:

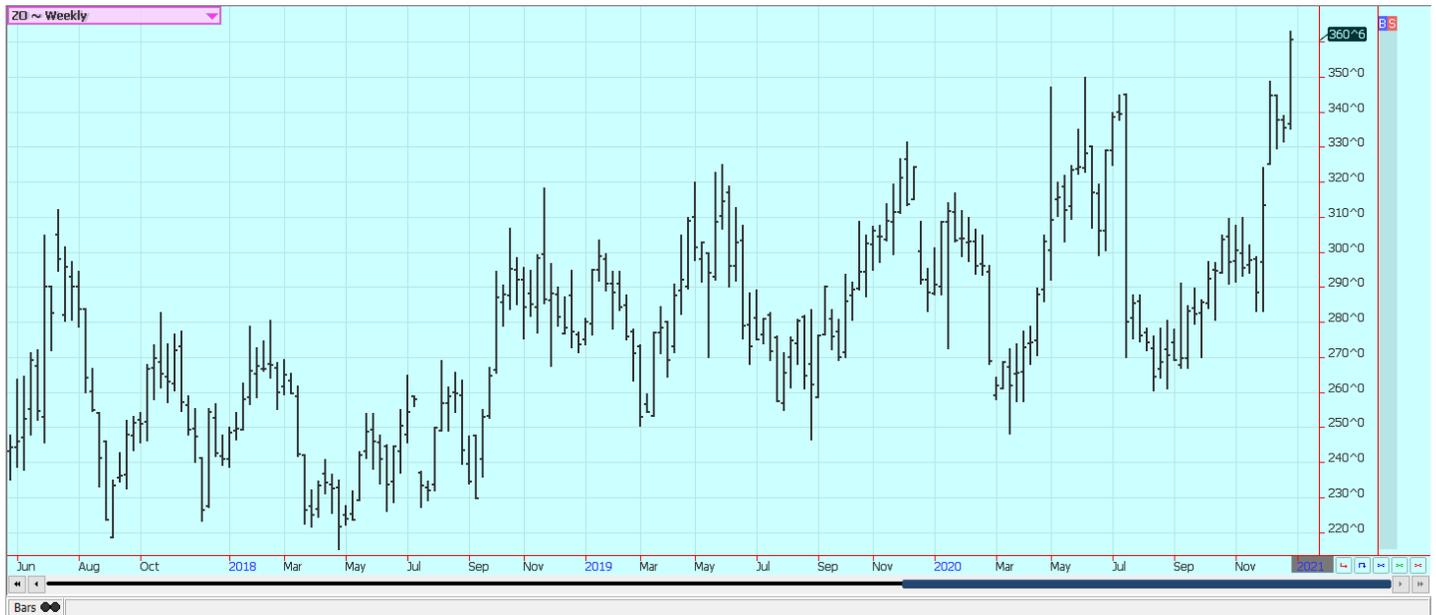


### Weekly Oats Futures

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**Soybeans and Soybean Meal:** Soybeans and the products closed higher once again on some end of the year closing of positions and despite some reports of rains in South America. Demand remains a feature of the market as US ending stocks estimates are very tight and are likely to get even tighter as time goes on. China continues to buy in small amounts each day but has cancelled and switched some contracts made to unknown destinations. Production potential is being threatened in South America due to the lack of rainfall. The situation is improved in central and northern Brazil but remains dire in southern Brazil and Argentina. Southern Brazil and Argentina has turned warm and dry and this will be much more consistent with atypical La Nina pattern. The world will need very strong production from South America to meet the projected demand. The stocks to use ration for Soybeans is now very small and the situation is the tightest projected in years.

Weekly Chicago Soybeans Futures:

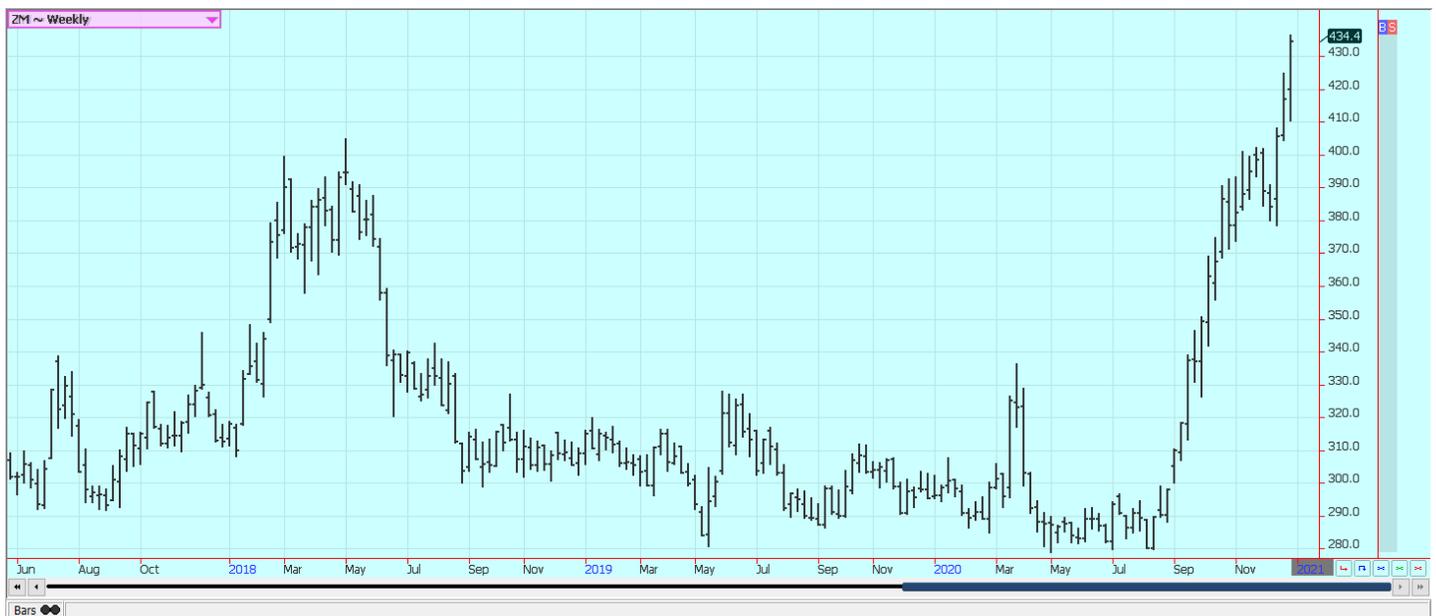
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### Weekly Chicago Soybean Meal Futures



Rice: Rice was higher last week after some big volatility late in the week. Trading still reflects the lack of activity in the domestic cash market and the lack of activity is causing some volatility to enter. The market has turned to look for new demand and the spreads suggest that not much is out there. Trading volumes have been less for the last couple of weeks. The cash market is slow and the lack of business is reflected in futures volumes traded. Reports indicate that domestic demand has been poor to average with better consumer demand more than offset by much less demand from schools and other institutions.

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## Weekly Chicago Rice Futures



**Palm Oil and Vegetable Oils:** Palm Oil closed higher and made a new high weekly close once again last week. The market was supported by ideas of tight supplies coming down the road. Production of most vegetable oils in the world is less this year due to a lack of production of oilseeds. The production of Palm Oil is down in both Malaysia and Indonesia as plantations in both countries are having trouble getting workers into the fields. Export demand has been strong and ethanol demand has been moderate. Soybean Oil and Canola were higher on strong demand ideas. Production problems for Soybeans in South America helped Soybean Oil, but the resolution of the dock and oilseeds workers strikes in Argentina pushed prices a little lower for a day. Very strong Palm Oil prices have made buying Soybean and Canola oils the better option. Trends are up in Soybean Oil and in Canola. Demand for Canola has improved in recent weeks and farm selling has been less.

Weekly Malaysian Palm Oil Futures:

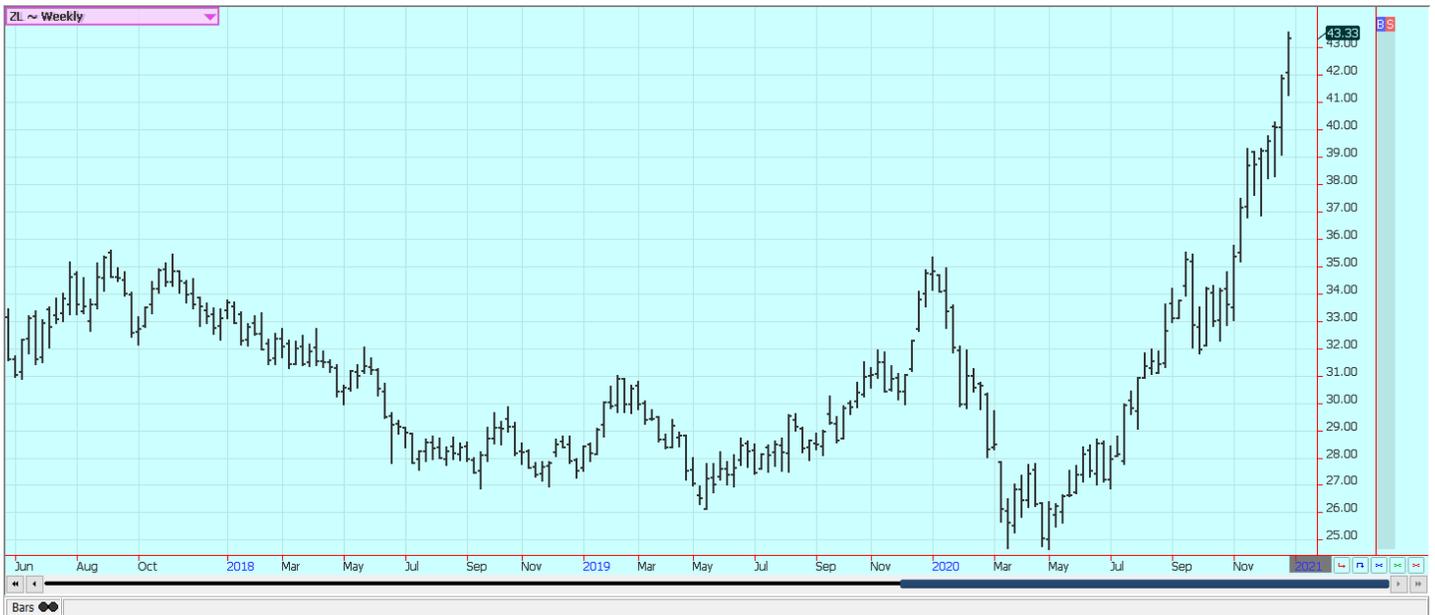
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### Weekly Chicago Soybean Oil Futures



### Weekly Canola Futures:

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Cotton: Cotton closed higher and made new contract highs last week. Speculators appeared to be the best buyers. Harvest is mostly done amid drier weather conditions in West Texas and the Delta and Southeast. The weekly export sales report showed very strong demand once again last week. Export demand has held strong despite stay at home orders and weaker economies around the world. Traders now hope for even more demand later as the vaccines are given out and the world economies start to recover.

#### Weekly US Cotton Futures

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Frozen Concentrated Orange Juice and Citrus: FCOJ closed higher last week as more cold weather makes its way into Florida. Speculators were the best buyers. The weather in Florida remains good for the crops although it has been cold recently. The Coronavirus is still promoting consumption of FCOJ at home. Restaurant and food service demand has been much less as no one is dining out. The weather in Florida is good with frequent showers to promote good tree health and fruit formation. Brazil has been too dry and irrigation is being used. Showers are falling in Brazil now and these need to continue to ensure good tree health. However, it could turn warm and dry again next week. Mexican crop conditions are called good with rains. The Florida Movement and Pack report showed that FCOJ inventories are 16% less than last year.

#### Weekly FCOJ Futures

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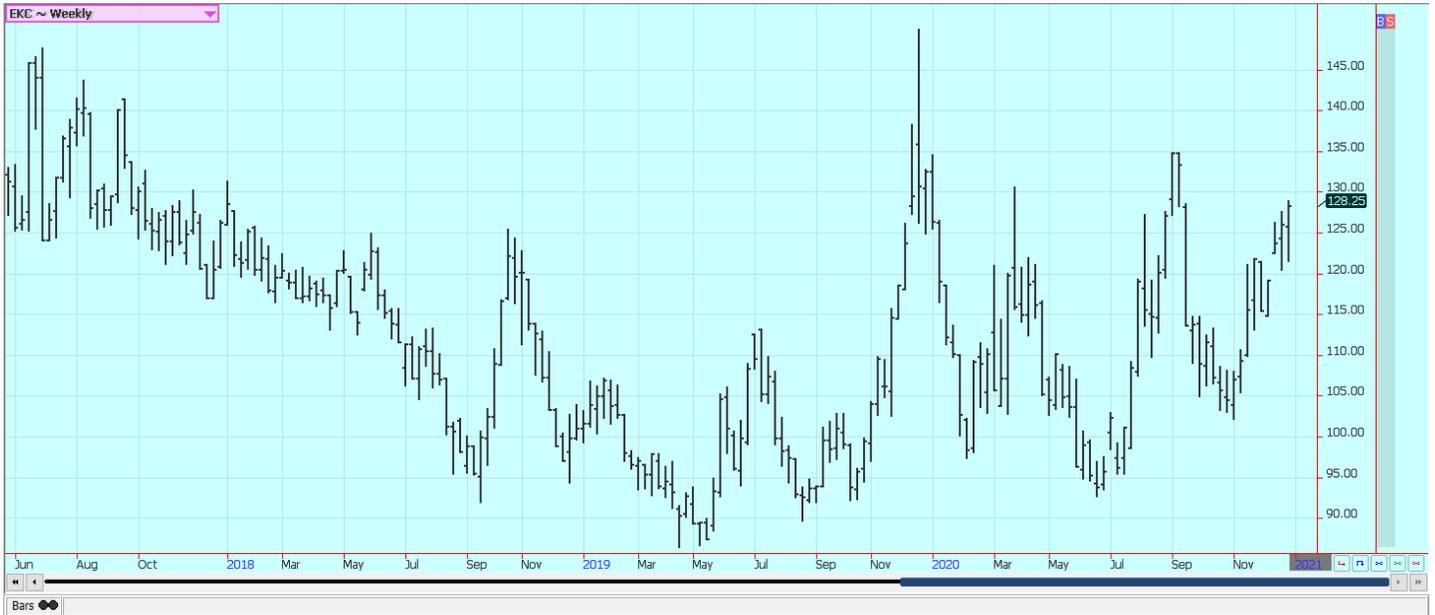
Coffee: Futures were higher in New York and London on forecasts for drier weather in Brazil. The market is looking ahead to next year and Brazil has been dry for flowering and initial fruit development. Vietnam has harvested its production under mostly dry conditions. Central America is also drier for harvesting. Brazil is getting some rains now to improve fruit development after an extended dry season, but the rains are sporadic and not everyone is getting helped. The demand from coffee shops and other food service operations is still at very low levels as consumers are still drinking Coffee at home. Reports indicate that consumers at home are consuming blends with more Robusta and less Arabica. The weather is good in Colombia and Peru.

#### Weekly New York Arabica Coffee Futures

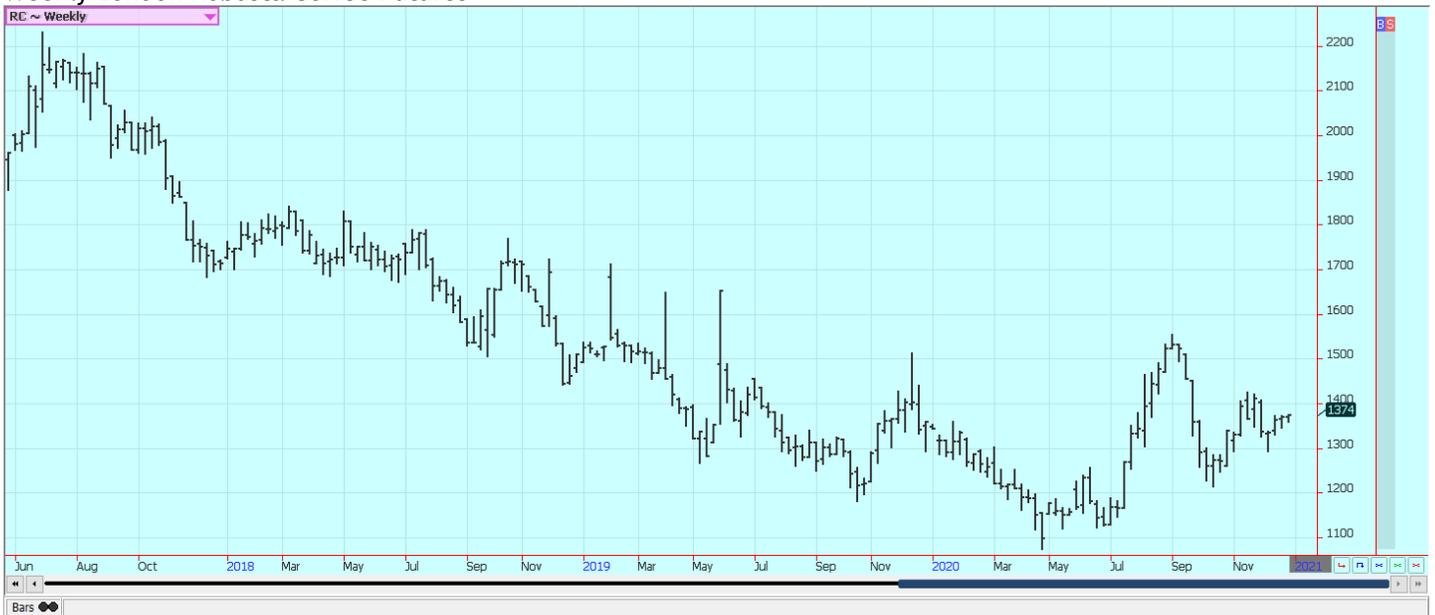
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### Weekly London Robusta Coffee Futures



Sugar: New York and London closed higher on what appeared to be speculative buying tied to forecasts of drier weather conditions in Brazil. There are still concerns about the world supply. It has been raining in south central Brazil and the production of cane is winding down for the season. The rains have come late to the region. Production has been hurt due to dry weather earlier in the

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year. India has a very big crop of Sugarcane this year. The Indian government has not announced the subsidy for exporters of Sugar so no exports are coming out of India yet. Sources told wire services that any subsidy will need to be significant to get export sales on the books. The government announced a new ethanol program today that could cut exports over time. Thailand might have less this year due to reduced planted area and erratic rains during the monsoon season. The EU is having problems with its Sugarbeets crop due to weather and disease. Coronavirus has returned to the world and has caused some demand concerns, especially for Ethanol.

### Weekly New York World Raw Sugar Futures



### Weekly London White Sugar Futures

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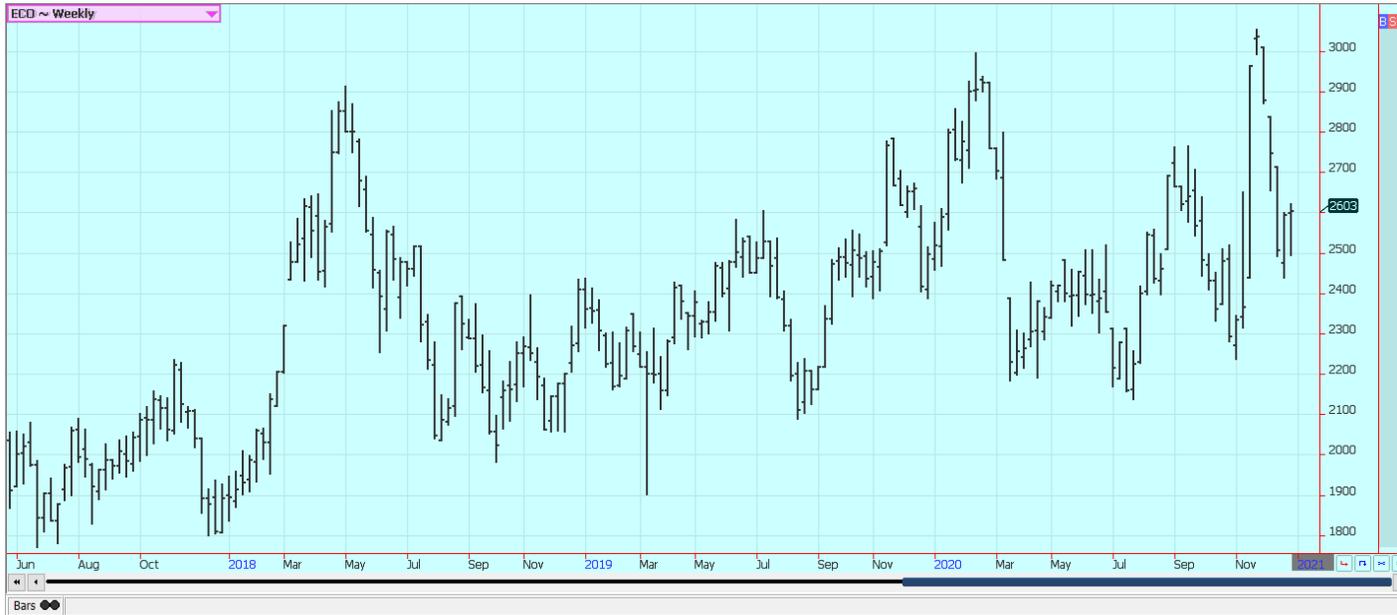
Cocoa: New York and London closed higher on what appeared to be follow through speculative buying after the reversal day on Thursday. Speculators appeared to be the best buyers and were probably covering short positions. Importers are still looking for ways to source Cocoa without paying a premium demanded by Ivory Coast and Ghana. Both countries have instituted a living wage for producers there and are looking to tax exports to pay the increased wages. Buyers have been accused of using certified stocks from the exchange instead of buying from origin. Origin has ample supplies to sell right now. There are a lot of demand worries as the Coronavirus is making a comeback in the US. Europe is also seeing a return of the pandemic. However, the grind has held amid good demand from chocolate manufacturers.

#### Weekly New York Cocoa Futures

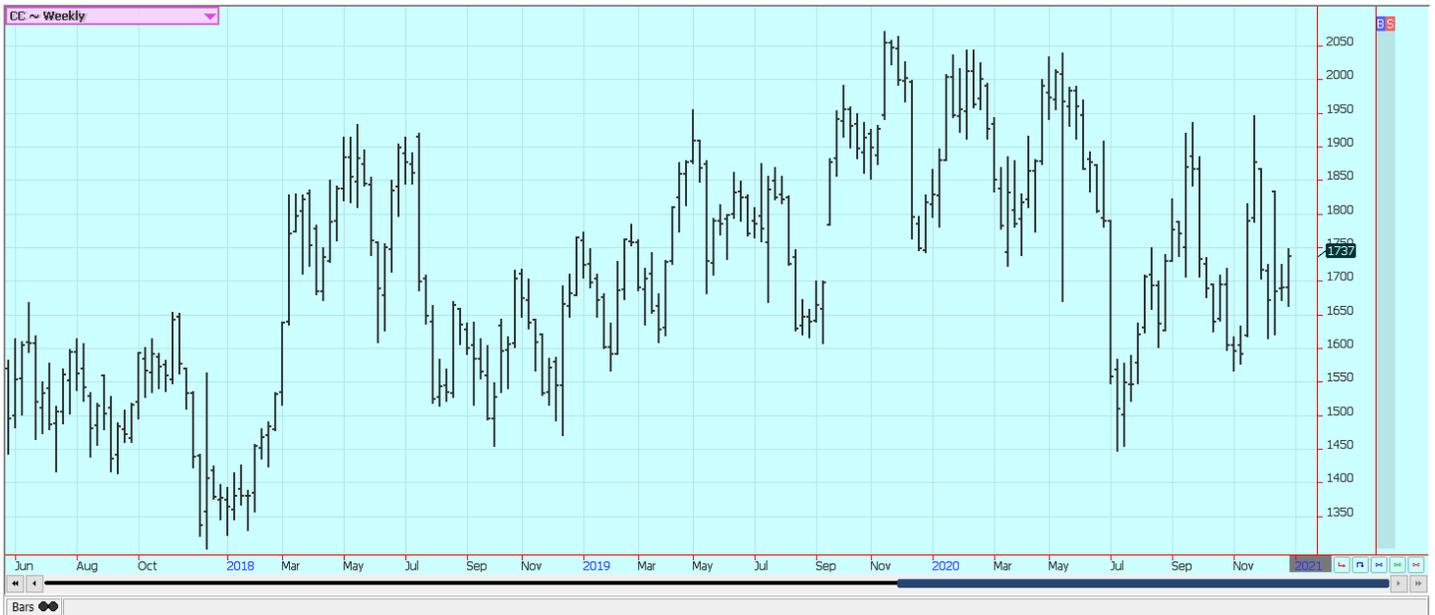
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### Weekly London Cocoa Futures



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