



Central Alberta Co-op Ltd.

2021 - “The Year of the Bull”

The Chinese Lunar Calendar says 2021 is the year of the ox, but for this example “the year of the bull” works. Everything related to agriculture in 2021 is bullish; the markets, grower optimism and ultimately the sense of excitement to be in food production when most stories you hear in the news are negative. Finding ways to take advantage of the profitable opportunities this year while managing risk should be the focus.

Every commentary on commodity markets seems to say the same thing-Demand, Demand, Demand. Demand has out-stripped supply and is pulling down ending stocks to the point where the markets are very unsettled and reactive. With that said, the advice is that the new crop rally may not be done yet on most crops apart from maybe HRS wheat. Forward pricing no more than thirty to forty percent of your new crop production prior to harvest and watching for further strengthening would be a prudent move. Over the last eight months many growers have commented on setting price targets too low in 2020 and missing upside opportunities. Hindsight is 20:20 but setting aggressive pricing targets leading into the new crop year is a good strategy.

More and different cropping options are looking promising especially here in Central Alberta. The current market commentary suggests corn will be the commodity that “lifts all boats” (will support all grains) in the feed and ethanol sector. Some of the contenders this year include feed barley (the forgotten one) which has a very strong initial outlook and with potentially lower input costs could be one of the most profitable options. Central Alberta has a reputation for growing bushels, but not always number one high protein so looking at CPS wheat might be the stronger wheat option especially with the latest US policy on ethanol production. Do not rule out having some pulses in the rotation as those markets for alternative protein sources continue to gather momentum and will present some marketing opportunities this fall.

Even though we are seeing some late winter rallies in the fertilizer markets, most growers are well bought suggesting good positioning on the number one input expense. Being somewhat aggressive when building the fertility plan is a good strategy as the upside potential of the current grain markets will reward any extra bushels produced. Use all the tried and tested tools in the toolbox to drive yield potential. Such things as correctly chosen seed treatments, fungicides, fertility top-dresses and even plant growth regulators can be the difference makers between a good crop and an above average crop.

As the saying goes, “the devil is in the details” and that is what sets the really good farmers apart. From good pre-season planning to equipment expertise to the wealth of accumulated knowledge, those that focus on the details generally are rewarded with better outcomes. Farming is about managing risk and the best way to manage risk is to leave no stone unturned. Areas like uniform seedling emergence and crop stand, timely and accurate weed control, being ahead of the crop staging game and minimizing equipment failures are all examples that reduce risk and minimize stress.

The phrase “making hay while the sun shines” is one that has been used a lot this winter to describe the current opportunity that awaits the 2021 growing season. Of course, everyone knows that Mother Nature still needs to cooperate and deliver the final piece of the puzzle to what could be an amazing year even in the shadow of the global pandemic. Getting ready for spring is what makes farming so incredibly rewarding, the onset of another growing season! Good luck with #Plant21.

Submitted by Grant McCormick Agronomist, Central Alberta Co-op (Lacombe)

