

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	15-Nov-13
SRW Wheat	Dec	236.82	238.74	307.91	Soybeans	Jan	470.31	476.19	508.43
HRW Wheat	Dec	256.56	260.33	0.00	Soya Meal	Jan	368.03	376.38	468.06
HRS Wheat	Dec	256.01	260.15	321.87	Soya Oil	Jan	898.19	890.70	1,037.31
CWRS Wheat	Spot	215.23	219.77	n/a	Canola	Jan	488.90	495.70	575.30
CPS Wheat	Spot	178.41	186.45	n/a	Crude Oil(WTI)	Dec	93.73	94.51	86.67
Corn	Dec	166.13	168.00	0.00	Dollar Index	Dec	80.90	81.37	81.31
Ethanol	Dec	43.98	44.25	62.11	DJIA	Dec	15,900	15,660	12,536
Oats	Dec	222.41	216.90	236.35					

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

COMMENT: With good weather for the tail end of the US corn harvest and improved planting conditions in South America, the US corn market was on the defensive for most of the week. A lift on Friday from US export sales last week being above trade expectation was short lived as an EPA news release proposed 2014 renewable fuel mandate below 2013 level, see below.

With US winter wheat crop entering dormancy in near ideal condition and no expectation for improved which for last week were below trade expectation prices were lower over the week. Winter wheat prices are approaching contract lows set in August while spring wheat prices are now at the lowest level since July 2010. Canadian wheat prices are suffering not only from the lower international values but also from widening basis, almost certainly reflecting limited handling capacity.

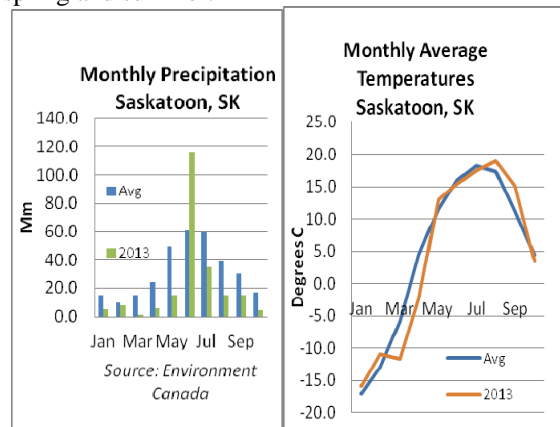
Soybean prices were higher earlier in the week with further export sales reported, but export sales data released on Friday for the previous week was below trade expectations and with improved prospects for a large South American crop the market lost as much and more as it had gained earlier in the week.

NEWS: The US Environmental Protection Agency (EPA) today “proposed for public comment” a 2014 range for renewable fuel blending of between 15.00 to 15.52 billion gallons compared to a 2013 level of 16.55 billion gallons. The proposed reduction is almost certainly a consequence of the “E10 blend wall,” resulting from aggregate US fuel blending approaching the 10 percent level as overall fuel consumption falls. Current US legislation sets renewable fuel volume targets for 2022 at over twice current levels but the immediate challenge is to find a politically acceptable way around the E10 blend wall.

Sixty-five percent of USDA crop reports this week rated the winter wheat crop in good or excellent condition, 2 points above last week, and 29 and 13 points above last year’s and a five-year average for this date. The conditions of the hard red winter wheat crop on the Great Plains, soft red winter wheat crop generally east of the Mississippi and the white winter wheat crop in the Pacific Northwest, all appear favourable.

OPINION: If the weather this year at the Saskatoon Diefenbaker International Airport was in any way typical of that experienced elsewhere on the Prairies, the great yields reported almost everywhere were to be expected. After a relatively cool dry spring which caused some early nervousness, the rain came when it was needed in June and a relatively fine fall minimized any concerns about garnering a large harvest in good condition.

But... looking forward, even if it is too early to be concerned about 2014, some relatively large areas of below average soil moisture have merged in eastern Manitoba and in central and northern Alberta. This will soon be forgotten, if conditions are right next spring and summer.



David Walker, Edmonton, AB, CA