

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	3-Jan-14 Year ago
SRW Wheat	Mar	222.58	223.77	274.56	Soybeans	Mar	467.19	482.71	510.36
HRW Wheat	Mar	236.08	236.72	295.60	Soya Meal	Mar	369.30	387.58	439.84
HRS Wheat	Mar	231.67	233.23	309.01	Soya Oil	Mar	851.01	867.55	1,089.56
CWRS Wheat	Spot	155.86	n/a	n/a	Canola	Mar	442.00	437.00	578.40
CPS Wheat	Spot	132.70	n/a	n/a	Crude Oil(WTI)	Mar	94.25	100.32	93.47
Corn	Mar	166.72	167.81	249.94	Dollar Index	Mar	80.91	80.49	80.55
Ethanol	Mar	47.39	46.73	57.62	DJIA	Mar	16,385	16,404	13,369
Oats	Mar	223.22	226.14	215.76					

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: US corn prices were marginally lower over the holiday week with generally favourable weather for South American crop development. Wheat prices were also lower. Canadian prices were lower both with and against outside markets. The oilseed values were hit by Chinese GM related rejection of corn ethanol by-product DDGs, a protein feed which competes with soya meal. At the same time soybean exports sales during the Christmas shortened week exceeded expectation and supported prices. But against this a private forecaster raised its estimate of 2013 US production

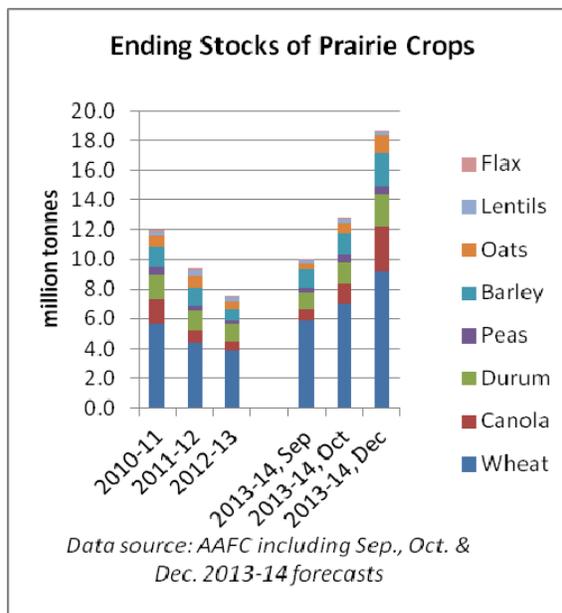
NEWS: Ag Canada’s December revision to its supply and demand projections included the upward revision in StatsCan’s November estimates of production. Much of the increase in Prairie supplies - 7.8M tonnes, is forecast to be added to ending stocks - 5.9M tonnes, as opposed to exported - 1.9M tonnes. Current ending stock forecasts (with previous year estimates) in M tonnes: wheat 9.2 (3.9), canola 3.0 (0.6), durum 2.2 (1.2), barley 2.2 (1.2), oats 1.2 (0.5), corn 3.5 (1.5), all others less than 0.5

OPINION: In contrast to last year, the early promise of a very acceptable harvest was exceeded by the final tally once crops were in the bin. Hence the upward revisions in Prairie production estimates as the fall progressed and more critically the increase in the forecast of ending stocks. What is not exported tends to end up as year-end stocks as domestic use is relatively inelastic with the exception of that

part of canola crush exported.

Forecasting exports and ending stocks for specific crops is particularly challenging this year. The capacity of the grain transportation and handling system to export has to be figured out. That capacity then has to be allocated between crops. As it is some time since the export system has been challenged by a large crop and many decades since decisions as to what to move and what to hold has been in the hands of farmers, there is little experience on which to base projections. Clues are beginning to emerge from weekly Canadian Grain Commission export and farmer delivery data.

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