

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	31-Jan-14 Year ago
SRW Wheat	Mar	204.20	207.70	281.08	Soybeans	Mar	831.76	472.06	541.69
HRW Wheat	Mar	226.16	230.48	302.03	Soya Meal	Mar	386.54	386.17	472.03
HRS Wheat	Mar	221.93	225.24	313.51	Soya Oil	Mar	829.85	827.64	1,168.27
CWRS Wheat	Spot	158.68	163.87	293.14	Canola	Mar	430.20	425.20	622.90
CPS Wheat	Spot	128.25	136.15	282.15	Crude Oil(WTI)	Mar	97.51	96.52	96.71
Corn	Mar	170.86	169.09	270.43	Dollar Index	Mar	81.36	80.55	79.13
Ethanol	Mar	47.97	45.54	65.41	DJIA	Mar	15,660	15,905	13,940
Oats	Mar	263.10	256.94	232.94					

Data points in red are previous 12-month highs, in blue are previous 12-month lows

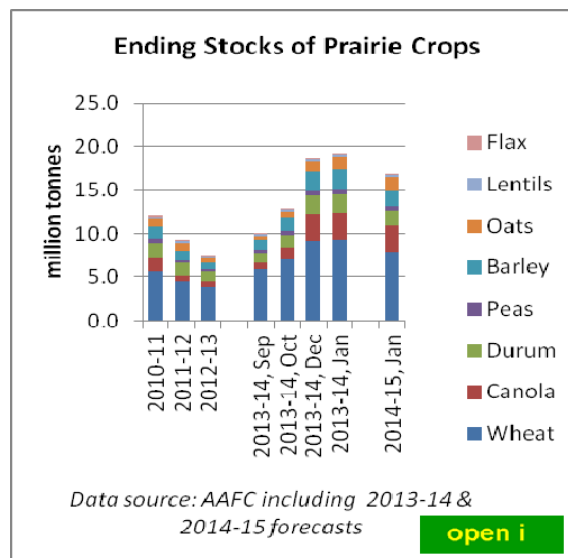
For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: A downward trend in US corn prices was reversed on Thursday with positive weekly export sales data together with several daily sales confirmations. Wheat prices were weaker on Wednesday with forecasts for snow across the US Great Plains, but Thursday's exports sales data was somewhat supportive. Further confirmation of favourable crop prospects in South America weighed on oilseed values but the limited Chinese cancellation of US sales was regarded as being positive.

NEWS: Last Friday Agriculture and AgriFood Canada (AAFC) updated its Canadian outlook for 2013/14 and added its first for the 2014/15 crop year. Revisions to this year's forecasts were minor and related mainly to changes in export forecasts. The most significant of these was probably a lowering of oat exports suggesting that even the short haul to the US is being limited by trucking capacity. It is, of course, very early to be forecasting for the 2014/15 crop year, but decisions on cropping patterns are, of course, being made by farmers. AAFC forecasts suggest farmers will cut back on wheat, durum and barley and add to canola, oats, flax and peas. After applying trend yields to allocated area, a total harvest very much smaller than this year's is projected. Forecast use for 2014-15 are not very different from those of this year with aggregate exports of all major crops also little changed. With this, ending stocks are seen to be rather lower than those forecasted for the summer of 2014, but well above those of the previous three summers.

OPINION: That there has been more grain seeking access to marketing channels since harvest than the system can handle, despite the substantial price discounts/wide basis, might suggest that Prairie grain can be very competitively priced on international markets. The follow-on logic is that the large supplies from the 2013 crop will be moved quickly. Against this is the expectation that once distressed grain, including that piled and in bags, has been taken care of, the flow of grain to the market will decline. This appears to be implicit in AAFC projections. Farmers will be making some difficult decisions in this respects once seeding is complete and the prospect for the 2014 harvest at that time will be a big part of those decisions.

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