Grain and Oilseed Markets

For the week ending Friday, 07-Feb-14

Grain and Related Prices					Oilseeds & Other Prices				7-Feb-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Mar	212.20	204.20	277.87	Soybeans	Mar	863.37	831.76	533.69
HRW Wheat	Mar	238.56	226.16	293.67	Soya Meal	Mar	405.04	386.54	465.63
HRS Wheat	Mar	234.89	221.93	307.26	Soya Oil	Mar	850.13	829.85	1,133.88
CWRS Wheat	Spot	165.16	158.68	290.63	Canola	Mar	425.60	430.20	636.90
CPS Wheat	Spot	136.01	128.25	269.4	Crude Oil(WTI)	Mar	99.98	97.51	95.72
Corn	Mar	174.89	170.86	260.51	Dollar Index	Mar	80.77	81.36	80.10
Ethanol	Mar	51.78	47.97	63.72	DJIA	Mar	15,708	15,660	13,926
Oats	Mar	283.04	263.10	250.13					

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: This was the first week in some months of solid price gains for most crops. Unfortunately canola was an exception to this with the Canadian dollar stronger – another reversal. Oat futures hit record highs on Thursday in expectation of a very tight supply situation in March over a quite large area including Chicago, Minneapolis and Duluth.

Export demand news was a mixed factor on corn prices. But cool weather was regarded as not being conducive for farmer selling and positive for livestock feeding and hence supportive of prices. Wheat prices were higher on cuts in condition ratings of hard red winter wheat and concern about European crops. Also last week's export sales were better than expected. Soybean prices advanced on continued positive demand news and reports of reticence of Argentine growers to sell.

NEWS: Canadian Grain Commission data, after adjustment for crops that were not included in its summaries in previous years, suggest total bulk exports have matched very closely those from the previous year since harvest. Individual crop exports over the 15 weeks to January 26 (in brackets percent of same period last year) stood at wheat 4.8Mt (111), durum 1.5Mt (93), oats 0.4Mt (92), barley 0.5Mt (73), canola 2.8Mt (95) and peas 0.4Mt (88).

OPINION: It is almost certainly disappointing that in view of the record 2013 harvest grain is not moving into export channels at a better pace than last year. It is probably not too surprising as the railways are faced with a growth in business in other sectors including oil and gas and their grain business has been relatively flat for many years. The reality is that in volume terms the current record year for bulk grain exports was 1990/91.

The situation may not appear as irredeemable as this would suggest. Exports for the crop year to date are running over 30 percent ahead on the 23-year old record. If the current pace of exports relative to the record is sustained, by the end of the crop year, and certainly by the time the 2014 harvest begins to be marketed, the carryover stocks will appear manageable.

The reality is that the system will begin to run short of supplies in late summer as famers begin to show reluctance to market the entirety of an exceptionally large harvest.

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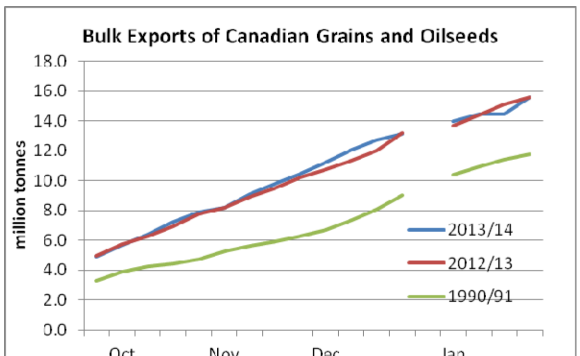

Data source: Canadian Grain Commission - includes wheat, durum, oats, barley, flax, canola, corn, peas and rye.