

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	14-Feb-14 Year ago
SRW Wheat	Mar	219.91	212.20	272.73	Soybeans	Mar	491.45	489.25	523.41
HRW Wheat	Mar	247.84	238.56	302.58	Soya Meal	Mar	408.22	405.04	451.30
HRS Wheat	Mar	244.90	234.89	302.58	Soya Oil	Mar	863.14	850.13	1,138.07
CWRS Wheat	Spot	167.77	165.16	285.46	Canola	Mar	398.20	425.60	630.20
CPS Wheat	Spot	137.44	136.01	263.71	Crude Oil(WTI)	Mar	100.26	99.98	96.41
Corn	Mar	175.29	174.89	256.74	Dollar Index	Mar	80.21	80.77	80.58
Ethanol	Mar	54.39	51.78	62.16	DJIA	Mar	16,108	15,708	13,948
Oats	Mar	273.47	283.04	245.75					

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](http://www.open-i.ca/PriceSpec.htm)

**COMMENT:** Canola apart it was a second good week for prices. In the US corn market something of a temporary standoff appears to have developed – prices may not have risen as much as they might have in response to very positive exports sales, because higher prices were expected to attract farmer selling. Good US export sales data and concern about the impact of cold weather on northern hemisphere winter crops appear to have supported wheat prices. Soybeans have reached the stage where any net positive weekly sales data is regarded as price supportive.

Canola was down 5 percent in two days with shipping challenges blamed but some recovery on Friday.

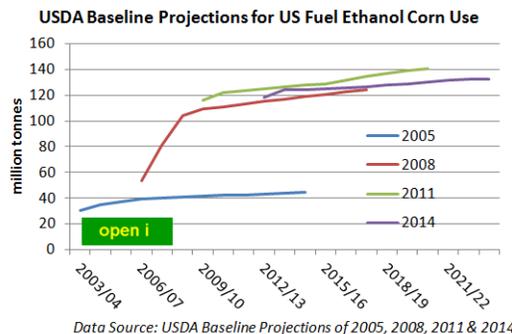
**NEWS:** Almost certainly the most important take-home message in the USDA’s 97-page annual 10-year baseline projections, published this week, was “...long-term growth in global demand for agricultural products, a low-valued dollar, and continued biofuel demand, particularly in the United States, the EU, Brazil, and Argentina, hold prices for corn, oilseeds, and many other crops above pre-2007 levels.”

[Note: In mid Feb. 2007 Wild Oats was quoting FOB Alberta farm prices for canola: \$326-\$364, barley: \$124-\$127, feed wheat: \$132-\$151, and oats: \$130-\$160]

Baseline projections based on information available in the fall including the USDA’s November World Agricultural Supply and Demand Estimates are of limited short term relevance. The long term conclusions are very dependent on demand related long term assumption on the global economy and ultimately population and per capita income. These assumptions appeared conventional - declining rates of global population growth with highest economic

growth in the emerging economies.

From a Canadian perspective, the most significant comment was probably “U.S. imports of canola oil from Canada ... are projected to continue to grow strongly ... ”



**OPINION:** USDA’s projections of corn use for ethanol production are interesting in themselves. Projections published in February 2005 suggested rather steady growth pushing use over 40 million tonnes. The 2008 projections, made after President Bush’s 2007 State of the Union announcement of the US’s energy self-sufficiency measures including fuel ethanol programs, indicated four years of phenomenal growth. By 201 use was expected to return to modest growth. In 2014 that growth was still projected but from a slightly lower starting point on account of lower overall fuel consumption and limits on blending, but still growing to over 130 million tonnes.

This is probably more a triumph in program design and implementation than forecasting.

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While every reasonable effort is made to ensure this information is accurate, the author is unable to provide any guarantee over accuracy, or to be liable for the consequences of action taken on the basis of any information which proves to be inaccurate.

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