

Grain and Related Prices					Oilseeds & Other Prices					21-Feb-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Mar	224.05	219.91	262.71	Soybeans	Mar	503.67	491.45	536.91	
HRW Wheat	Mar	250.87	247.84	294.96	Soya Meal	Mar	413.48	408.22	470.59	
HRS Wheat	Mar	244.07	244.90	294.96	Soya Oil	Mar	902.82	863.14	1,110.07	
CWRS Wheat	Spot	176.68	167.77	288.93	Canola	Mar	414.60	398.20	632.00	
CPS Wheat	Spot	145.74	137.44	266.45	Crude Oil(WTI)	Mar	102.14	100.26	94.45	
Corn	Mar	178.34	175.29	253.62	Dollar Index	Mar	80.29	80.21	81.57	
Ethanol	Mar	54.42	54.39	62.42	DJIA	Mar	16,085	16,108	13,910	
Oats	Mar	301.84	273.47	251.59						

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

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

COMMENT: US corn prices continued to move higher but were stalled somewhat late in the week by disappointing US export sales results and, for new crop, a USDA area forecast above some expectations. Wheat prices were also higher with concern over the impact of cold and dry weather on the dormant US winter wheat crop being cited as being supportive. Canola recaptured some of the losses sustained last week.

Soybean export sales for last week finally reflected the extremely tight US soybean supply situation with the lowest net export sales for the crop year but as this has been anticipated for some time the market impact was probably small.

NEWS: Agriculture and Agri-Food Canada revised its Supply and Disposition forecasts this week to reflect Stats. Can's Dec 31 stock data and probably also transportation challenges. Revisions to components of domestic use of both wheat and durum were largely offsetting but export forecasts were lowered and ending stocks were raised slightly. Canola and barley data for this year was not revised. Oat exports were lowered, probably reflecting logistics. Ending stocks of both peas and lentils were lowered, with increased exports of the former and domestic use of the latter.

There appeared to be no major surprises in the initial USDA S&D's for the 2014/15 crop year presented at the USDA's Annual Outlook Forum this week. A shift in plantings from corn to soybeans is anticipated with a small overall

decrease in planting as a result of reduced double cropping and a higher cotton area forecast. Bottom line ending stocks expectations are for wheat to increase modestly, corn to continue to expand and soybeans to rise to the highest level in eight years, despite gains in domestic use and exports. "Prices for most row crops are expected to fall to the lowest level since 2009/10."

[Note: Stats. Can. average farm price estimates for Canada, Can\$/tonne: 2012/13, 2009/10; wheat \$285, \$220; durum \$290, \$197; canola \$650, \$426; barley \$279, \$188; and oats \$263, \$167. J]

OPINION: The two charts below, taken from the lead paper presented at the USDA Outlook Forum, illustrate that *real* US crop prices – after adjustment for inflation, just about continue a 60-year plus downward trend while land values also so adjusted head in the opposite direction. The trick to this is, of course, increased productivity. So while society continues to invest in agricultural research, it will continue to be able to spend on smart phones, 60-inch televisions, and such, what it saves on food.

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