

Grain and Related Prices					Oilseeds & Other Prices					11-Jul-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	193.27	212.93	250.23	Soybeans	Sep	403.91	428.71	477.02	
HRW Wheat	Sep	233.78	252.52	260.33	Soya Meal	Sep	328.48	349.03	447.88	
HRS Wheat	Sep	230.75	247.10	281.64	Soya Oil	Sep	812.65	853.66	1,021.22	
CWRS Wheat	Spot	174.34	178.19	267.62	Canola	Nov	439.90	457.40	530.80	
CPS Wheat	Spot	135.72	143.72	246.45	Crude Oil(WTI)	Sep	100.18	103.28	105.58	
Corn	Sep	148.91	161.21	214.75	Dollar Index	Sep	80.23	80.28	83.15	
Ethanol	Sep	52.94	52.73	60.76	DJIA	Sep	16,805	16,976	15,362	
Oats	Sep	213.17	227.76	228.41	SRW Wheat	Dec	201.27	221.84	254.91	
Data points in red are/were 12-month highs, in blue are 12-month lows					Corn	Dec	151.47	163.48	200.48	
For price specs. go to: <a href="http://www.open-i.ca/PriceSpec.htm">www.open-i.ca/PriceSpec.htm</a>										

**COMMENT:** Wheat prices continued to drift lower until Friday with international crop prospects generally favourable. The USDA spring wheat estimates and supply and demand forecasts which confirmed improving US supply prospect accelerated the trend. By the end of the week futures prices for soft red winter wheat were as low as they have been in five years. The situation was distressingly similar for corn and soybeans. Weather is helping crops but not prices

**NEWS:** USDA July all wheat production estimate was for 54.2M tonnes down 7 percent from 2013 and above the average, but within the range, of trade expectation. The hard red winter wheat estimate was 2 percent below the June estimate while soft red winter wheat was one percent above. Durum and other spring wheat, estimated for the first time, were respectively down 4 and up 6 percent from 2013 output. Other spring wheat output was above the range of trade expectations, while average trade expectations for durum were accurate. USDA July domestic supply and demand forecasts for 2014-15 reflect mainly adjustments following recently reported US grain stocks, area and production survey-based estimates. Wheat supplies were raised slightly with a higher hard red spring production estimate offsetting a cut in hard red winters. Forecasts for both domestic feed use and exports were cut. Ending stocks were raised to a level about mid way between those of this summer and last. With improved Northern Hemisphere crop prospects the global output forecast was raised, but this was largely offset by lower beginning stocks with ending stocks being raised more modestly. For US domestic corn the supply estimate was increased slightly with higher beginning stocks offset by a small area related cut in output. A cut in feed use and export expectation resulted in a further increase in ending stocks.

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.

The USDA global coarse grain data revisions included higher beginning stocks and production with most to the increase balanced by higher ending stocks, the largest in several years.

The salient revision to 2013-14 oilseed data was a negative residual use estimate for soybeans suggesting there will be a late season revision to 2013 production with the USDA's first survey based 2014 production estimate next month. Meanwhile an area related increase in 2014 US soybean production allowed for an increase in all disposition data but mainly in ending stocks. These US revisions were the major contributors to an increase in global output and ending stocks.

**OPINION:** Primary elevator stocks normally increase once spring field work has been completed after having been run down while the priority was the crop in the ground. This year the recovery in these stocks has been muted. This may suggest that farmers are generally comfortable with higher levels of farm stocks, or more probably are not comfortable selling. Two factors here are the stubbornly wide Prairie basis levels combined with falling international prices and a tendency hold part of an exceptional crop on the farm as a hedge against a poor crop sometime in the future.

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