

Grain and Related Prices					Oilseeds & Other Prices					15-Aug-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Sep	202.55	201.82	234.24	Soybeans	Sep	405.10	403.27	471.51	
HRW Wheat	Sep	227.54	230.11	256.56	Soya Meal	Sep	352.25	333.74	370.84	
HRS Wheat	Sep	223.86	227.35	270.80	Soya Oil	Sep	724.68	783.11	943.83	
CWRS Wheat	Spot	187.46	193.43	249.55	Canola	Nov	429.50	443.90	498.90	
CPS Wheat	Spot	151.30	158.11	228.38	Crude Oil(WTI)	Sep	97.28	97.56	107.40	
Corn	Sep	143.99	138.48	186.51	Dollar Index	Sep	81.50	81.46	81.34	
Ethanol	Sep	56.98	53.52	58.73	DJIA	Sep	16,615	16,470	15,050	
Oats	Sep	236.67	231.97	244.78	SRW Wheat	Dec	206.96	207.97	236.45	
Data points in red are/were 12-month highs, in blue are 12-month lows					Corn	Dec	148.42	143.10	182.47	
For price specs. go to: www.open-i.ca/PriceSpec.htm										

COMMENT: US corn prices were stronger late in the week on favourable export news and a marginally bullish USDA reports earlier. But prices are still in a 3-week sideways trend which in the context of continued excellent crop prospects is positive. Wheat prices partially recovered from somewhat bearish USDA reports with the quality of the European being an ongoing concern. The soybean complex is faced with the conflicting influences of good demand and excellent crop prospects. Particularly damaging for canola has been vegetable oil market prices sinking to five-year lows.

NEWS: The USDA's first surveyed 2014 production estimates for corn, soybeans, durum and other spring wheat were 356.4M, 103.8M, 1.6M and 15.6M tonnes, respectively up 1, up 16, up 1 and up 1 percent from last year. These estimates generally confirmed expectations for record corn and soybean harvests based on crop conditions and exceeded the July trend-based estimates. The USDA also raised its August winter wheat estimate by 2 percent reflecting improved harvest results, mainly for hard red winter wheat beyond the drought-affected southern Great Plains states.

Adjustments to US 2015-15 supply and demand projections to reflect these improved harvest prospects included:

For wheat, most of 1.0 tonne increase in output was balanced by increased hard red winter wheat exports with ending stocks almost unchanged.

For corn, increased output prospect were partly offset by a downward revision in carry-in with small increases in most disposition data but carry out about unchanged.

For soybeans, the upward revision of output of slightly less than 0.5 million tonnes was balanced by easing ending stocks by about the same amount.

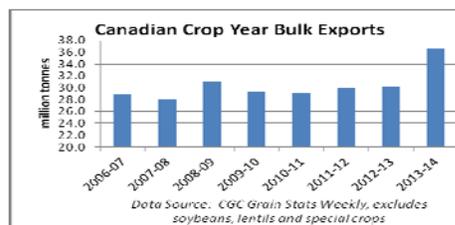
Last month's negative soybean residual disposition for the 2013-14 crop year was not "explained away"

as might have been expected but rather increased. Suffice it to say the US soybean supply situation will, at least statistically, be very tight until the new crop comes off.

Revisions to the USDA's global projections were more substantial. For wheat a 10.6M tonnes increase in output mainly Russia, China and the Ukraine is balanced by a 6.8M tonne increase in feed use and 3.4M increase in ending stocks. But the latter would still be below the 2012 level. For coarse grains a 5.1M tonne increase in the supply estimate – mainly US corn, is expected to be offset about equally by use and ending stocks – mainly barley. For oilseeds revisions were quite limited as the increase in US soybeans were slightly more than offset by output of other elements of the complex.

OPINION: The cold weather and hot grain transportation politics of last winter now seem a very distant memory. The lower level of country elevator stocks and reduced unfilled rail car orders suggest that by the end of the crop year most farmers had been able to deliver all the grain they wanted to. A caveat is that the price basis has yet to narrow to levels of a year ago and some farmers may be holding grain on the farm in the expectation of the continued improving price performance by grain companies. Despite a slow start, paradoxically the result of a lack of grain to move, Canadian Grain Commission data indicates a record 36.5M tonnes of bulk exports for the crop year, over 20 percent above a year earlier.

David Walker, Edmonton, AB, CA



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