

Grain and Related Prices					Oilseeds & Other Prices					12-Sep-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Dec	184.64	196.67	235.71	Soybeans	Nov	362.02	375.34	507.51	
HRW Wheat	Dec	217.98	230.94	254.27	Soya Meal	Dec	306.53	316.69	401.69	
HRS Wheat	Dec	212.38	224.69	259.32	Soya Oil	Dec	699.11	716.09	933.47	
CWRS Wheat	Spot	191.08	188.15	230.34	Canola	Nov	413.70	422.00	499.40	
CPS Wheat	Spot	153.59	156.81	209.82	Crude Oil(WTI)	Oct	92.26	93.39	107.96	
Corn	Dec	133.26	140.15	180.70	Dollar Index	Dec	84.38	83.89	81.63	
Ethanol	Dec	45.52	49.53	43.67	DJIA	Dec	16,953	16,995	15,301	
Oats	Dec	225.81	223.70	202.47						

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

**COMMENT:** US corn prices fell this week pressured by continued excellent crop conditions and USDA reports highlighting the implications. Soybean prices were likewise pressured. Improving moisture conditions in the southern Great Plains for the US winter wheat planting and competitive European pricing were cited as eroding wheat values which were down more than 5 percent on the week. Edmonton basis for wheat narrowed with high protein seemingly attractive to buyers.

**NEWS:** The USDA's raised both its corn and soybean production estimate by 3% in its September estimate published on Thursday reflecting improved yield expectations. Both are records, respectively, 365.7M and 106.4M tonnes and 3 and 19% above last year. US corn supply and use projections were revised to reflect the increased crop estimate with all elements of domestic use, exports and ending stocks raised. Projected ending stocks are the highest since 2005. For soybeans the USDA raised crush, exports and ending stocks to balance the increased output. Ending stocks are now forecast to be 12.9M tonnes, the highest level since 2007. By way of contrast, for the just completed 2013-14 crop year ending stocks were revised lower to 3.5M tonnes but the residual use estimate of minus 2.6M tonnes was unchanged. The most interesting revision in the US wheat S&D's was a 0.27M tonne increase in imports from Canada reflecting "higher stocks in Canada as well as the strong shipment pace to date." Exports were reduced and ending stocks increased somewhat but to a level still below 2012. Globally the increase in US corn output was partially offset by lower estimates of output elsewhere, particularly in China. Global ending stocks were raised only slightly as increased use was expected to absorb much of the increase in supply. The estimate of global wheat supply was raised mainly as a result of increased output in Europe and the Ukraine and beginning stocks in China. The increase

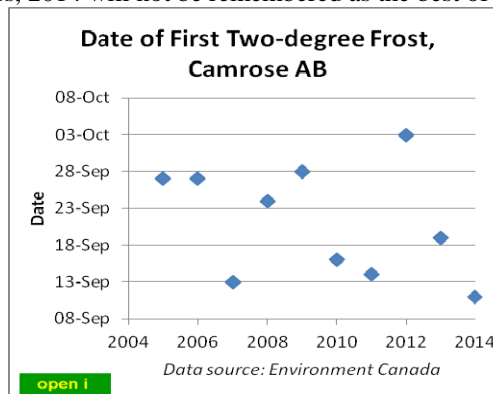
supply was somewhat offset by expectations of increased Chinese feed use but ending stocks will increase to the highest level since 2012.

Global oilseed output forecast was raised by over 10 percent with bigger crops in Brazil and Argentina adding to the US increase. Most of this was added to ending stocks, projected to exceed 100M tonnes for the first time.

The condition ratings of the **US corn and soybean** crops, as of Sept. 7, held steady at 72 and 74% good and excellent, well above the five-year average and anything seen in the last 15 years. **US spring wheat** condition slipped a further point to 60% good and excellent, compared to 70% a month ago. The crop was 58% harvested compared to 38% a week ago and a 78% 5-year average.

With much of the crop in the **western Prairies** suffering snow and/or frost this week, last week's crop reports may not be very indicative but next week's will be.

**OPINION:** In contrast to last year, successive StatsCan production estimate are likely to reflect declining harvest prospects. If Camrose is typical of the area "frosted" on Sept 11 and -2<sup>o</sup> C is the temperature at which damage occurs, 2014 will not be remembered as the best of years.



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