

Grain and Related Prices					Oilseeds & Other Prices					31-Oct-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago	
SRW Wheat	Dec	195.66	189.97	245.36	Soybeans	Jan	385.54	361.29	459.84	
HRW Wheat	Dec	217.89	218.11	269.52	Soya Meal	Jan	332.65	307.34	351.88	
HRS Wheat	Dec	211.00	208.34	266.58	Soya Oil	Jan	772.09	719.61	923.77	
CWRS Wheat	Spot	220.50	220.99	227.36	Canola	Jan	439.00	411.40	481.70	
CPS Wheat	Spot	167.68	168.68	197.17	Crude Oil(WTI)	Dec	80.53	81.04	94.660	
Corn	Dec	148.32	138.97	168.20	Dollar Index	Dec	86.99	85.78	80.32	
Ethanol	Dec	45.97	42.98	46.44	DJIA	Dec	17,295	16,690	15,530	
Oats	Dec	218.03	228.08	213.65						

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: Almost all grain and oilseed prices were higher again this week. This strength at a time when feed grain and oilseed prices are usually pressured by new crop harvest supplies almost certainly indicates good underlying demand. Worthy of particular note, January oilseed contracts have followed the nearby November higher the strength of which is attributed to tight nearby supplies. Off shore influences included deteriorating conditions for Russian and Australian crops but improved soil moisture for Brazilian beans. The exception to higher prices were hard red winter wheat where improved crop conditions in the southern Great Plains weighed on values and oats where logistics which have held futures values at unusually high levels may have temporarily been resolved. But with record corn and soybean crops transport is reported to be developing into a major issue for the US.

NEWS: Ag Canada's October supply and demand estimates included adjustments for Stats Canada's September production estimates and Grain Commission export data. The later resulted in an increase in aggregate crop exports for 2013-14 of over a million tonnes. This late revision is most unusual and believed to have resulted from challenges the Grain Commission faced with having to revise their data handling processes on the fly. Wheat and canola were the two commodities most implicated and residual domestic use was reduced to more typical levels. After carrying these adjustments forward Ag Canada now estimates year ending stocks for all crops for the 2014-15 crop year at only 8.5 million tonnes, the lowest level in at least five years. Individually no commodities are forecast to have burdensome year end stocks at the end of the crop year and those for barley are forecast at the lowest level in at least 30 years.

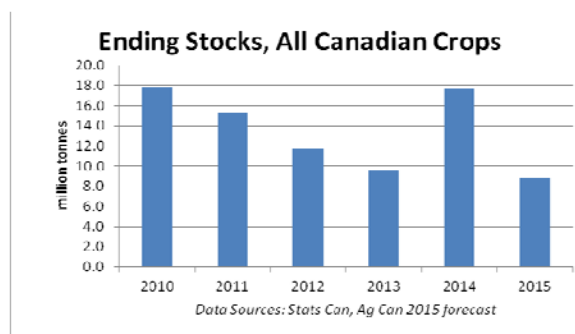
The USDA's weekly crop progress report placed the first estimate for US winter wheat crop condition at 54 percent good to excellent compared to a 51 percent 5-year average and last year's 61 percent. As of October 26 corn and soybean harvests were 46 and 70 percent

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complete, compared to 65 and 76 percent 5-year averages and 56 and 75 last year.

OPINION: The low level of stocks of all Canadian crops forecast for the end of the current crop year by Ag Canada is remarkable in the context of the exceptional 2014 crop, the movement of which was such an issue over the winter months of this year. It is, of course, possible that year end stocks will not fall to the level forecast, for amongst other things farmers are showing a reluctance to market crops this fall. Things may, however, change in the new calendar year, a new tax year for many.

And this may provide a challenge for the railways, if any surge in marketing has not been anticipated by the railways, particularly at a time when weather can slow things down. As was the case last year few, any delays are unlikely to last into the spring.



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