Grain and Oilseed Markets

For the week ending Friday, 28-Feb-14

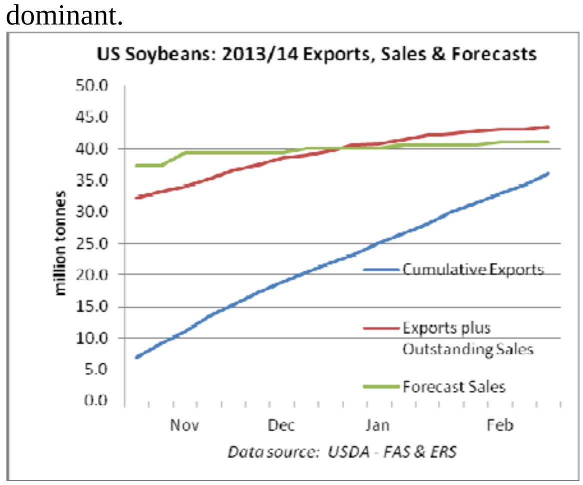
Grain and Related Prices					Oilseeds & Other Prices				28-Feb-14
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	May	221.29	222.48	268.13	Soybeans	May	519.56	499.81	530.39
HRW Wheat	May	247.65	248.21	275.57	Soya Meal	May	415.20	399.33	473.24
HRS Wheat	May	241.13	238.84	295.87	Soya Oil	May	921.34	909.00	1,095.07
CWRS Wheat	Spot	171.52	176.68	285.58	Canola	May	429.90	424.90	617.60
CPS Wheat	Spot	144.28	145.74	260.85	Crude Oil(WTI)	May	101.92	101.37	91.30
Corn	May	182.47	180.70	285.03	Dollar Index	Jun	79.94	80.42	82.56
Ethanol	May	57.30	52.52	63.51	DJIA	Jun	16,204	16,026	13,994
Oats	May	299.89	279.96	246.24	SRW Wheat	Dec	231.12	231.67	272.82
Data points in red are/were 12-month highs, in blue are 12-month lows					Corn	Dec	185.62	182.77	219.18
For price specs. go to: www.open-i.ca/PriceSpec.htm					Canola	Nov	456.20	451.80	561.30

COMMENT: There seemed to be little news to move US corn prices earlier in the week, but export sales for last week were above trade expectation on Thursday and rumors of an ethanol mandate increase was supportive later with prices ending the week on the plus side.

Wheat prices trended lower with the perception that US prices were again not competitive. Canadian and US challenges in getting grain to tide water were supportive of international values. US wheat exports for previous week were within the range of trade expectations.
Soybean news was mixed – congestion at Chinese ports, shaving of South American crop estimates, US export sales below trade expectations but an 120,000 tonne 2014/15 optional-origin Egyptian purchase. Canola prices were higher but basis did not narrow.

NEWS: Without major exception Canadian commodity outlooks at this week's GrainWorld conference were limited by uncertainty over logistics – transportation and handling challenges. A very early private sector survey of 2014 seeding intentions suggested canola, soybean, oats and pea area would increase at the expense of wheat and barley.

OPINION: Under normal circumstances USDA weekly sales data provides a useful indication of emerging demand developments. While cancellation of sales can prove expectations to be false, such situations are not usually significant.
With soybeans outstanding sales at this time appear to be a very suspect bellwether. The sum of actual exports and outstanding sales have for a couple of months exceeded the USDA's crop year forecast exports. Earlier in the crop year forecasts were raised but latitude for this is now limited by low estimates for ending stocks and robust domestic crush. The expectation is that there will be significant sales cancellations once South American crops are available. Crop marketing, particularly in Argentina, is reported to be delayed as a result of expectations of further declines in exchange rates.
Cumulative exports continue to increase faster than outstanding sales decline with no surge in cancellations. Further sales continue to be made but with optional origin conditions increasingly dominant.



It is well within the realm of possibility that the US will import soybeans once supplies from the South American harvest are abundant.

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