



Ontario Grain Market Commentary for February 5, 2014
By Mackenna Roth, Grain Farmers of Ontario

Wednesday February 5, 2014

Commodity	Period	Price	Weekly Movement		
Corn CBOT	March	4.43 ¼	↑	15 ¾	cents
Soybeans CBOT	March	13.16 ¼	↑	47	cents
Wheat CBOT	March	5.87 ½	↑	36	cents
Wheat Minn.	March	6.29 ½	↑	61 ½	cents
Wheat Kansas	March	6.37 ½	↑	28 ¾	cents
Canadian \$	March	0.90190	↑	74	points

CORN:

The corn market remains focused on the large 2013 supply. The large carryout stocks continue to dominate, although demand may pick up. China is celebrating the Chinese New Year and this will limit their involvement in global markets for a while as the country is effectively on vacation. Even with lower acreage expectations in 2014, there will remain sufficient supply into the next year.

March corn prices have rallied this month. This is the first monthly gain since August, due to stronger than expected export demand and high cash prices at this time. While this increase is good news, given that there are large supplies of corn, a long term rise would not seem likely with current market conditions.

SOYBEANS:

The soybean story hinges on South American production. In parts of Brazil, while dry weather is allowing early harvesting to progress well, it is also limiting late crop growth. This could result in yield concerns for those soybeans that are still immature. In other parts of Brazil, for example, Mato Grosso, rainfall has slowed soybean harvest. Oil World reported that they will keep their Brazilian soybean harvest estimate at 89.5 million tonnes, even as estimates from other sources are coming in above 90 million.

WHEAT:

The wheat trade is wrestling with concern over freezing weather and its potential for winter kill versus the over-abundant global stocks of wheat. Winter wheat is resilient; therefore it may be too early to talk of crop damage until the winter wheat breaks dormancy in the spring.

Through December, Canadian exports were up 14 percent for spring wheat. While they are higher than last year, export pace has slowed down due to storage and logistical problems across the countryside. Agriculture Canada is currently projecting wheat production across the country to be down 20 percent in 2014. This could be in part due to lower than expected acreage, coupled with the difficulty of moving the crop and large supplies. This may open an opportunity for Ontario farmers to move stored wheat into market.



Ontario Grain Market Commentary for February 5, 2014
By Mackenna Roth, Grain Farmers of Ontario

2013 contract prices for February 5, at the market close, are as follows:

SWW at \$228.98 per tonne (\$6.23/bu.), SRW at \$224.91 per tonne (\$6.12 /bu.), HRW at \$241.20 per tonne (\$6.56 /bu.), and HRS at \$222.98 per tonne (\$6.07 /bu.)