



Ontario Grain Market Commentary for February 12, 2014
By Todd Austin, Grain Farmers of Ontario

Wednesday February 12, 2014

Commodity	Period	Price	Weekly Movement		
Corn CBOT	March	4.40	↓	3 ¼	cents
Soybeans CBOT	March	13.23	↑	6 ¾	cents
Wheat CBOT	March	5.87	↓	½	cents
Wheat Minn.	March	6.54 ¾	↑	25 ¼	cents
Wheat Kansas	March	6.63	↑	25 ½	cents
Canadian \$	March	0.90840	↑	65	points

CORN:

The USDA released the latest World Agriculture Supply and Demand Estimates Report on February 10, which showed slight decrease in the expected U.S. corn ending stocks for 2013-14, compared to the January estimates. This is due to a projected increase in exports by 150 million bushels. The projected 2013-14 corn ending stocks are now estimated at 1.48 billion bushels, versus 1.63 billion bushels reported in January. To put this in perspective, the carryout for the 2012-13 marketing year was 821 million bushels.

Brazil is estimating its corn harvest to be 75.47 million tonnes, more than 5 million tonnes higher than the recent USDA report's estimate. Private estimates vary. Dry weather in parts of Brazil and too much moisture in others have made yield and production estimates difficult this year.

SOYBEANS:

U.S. soybean carryover remains at 150 million bushels, the same as the January estimate, according to the latest USDA Supply and Demand report. Imports rose, bringing up the total supply. There was also a rise in exports, combined with a decrease in residual, which kept the demand increase in par with the supply increase. The 'residual' category can be considered as miscellaneous in that this category of demand does not fall into crushing, exports, or seed.

Conab, Brazil's official crop bureau, trimmed its forecast for the domestic soybean crop to 90.0 million tonnes. This happened despite concerns over hot and dry weather in some central areas of the country. Conab also stated that as they progress into harvest, they will be in a better position to assess any impact due to January's drought.

WHEAT:

U.S. wheat stocks were reduced from 608 million bushels to 558 million, as exports were increased by 50 million bushels. This was below trade estimates, which were expecting between 574 and 653 million bushels. The exports were increased in part due to reduced competition from Argentina, according to the USDA. World inventory was reduced as well, to 183.73 million tonnes down from 185.40 as reported in the previous month.



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According to the Egyptian Supplies Minister, their strategic stock of wheat is sufficient until June 15. As Egypt moves to become more self-sufficient, they are raising the longer-term target for storage capacity to 6 million tonnes by mid-2015. Egypt consumes around 15 million tonnes of wheat annually and relies on imports of close to 10 million tonnes to ensure there is enough wheat for its government subsidised bread program.

2013 contract prices for February 12, at the market close, are as follows:

SWW at \$227.31 per tonne (\$6.19 /bu.), SRW at \$223.27 per tonne (\$6.08 /bu.), HRW at \$239.45 per tonne (\$6.52 /bu.), and HRS at \$232.47 per tonne (\$6.33 /bu.)