



Ontario Grain Market Commentary for February 19, 2014
By Todd Austin, Grain Farmers of Ontario

Wednesday February 19, 2014

Commodity	Period	Price	Weekly Movement		
Corn CBOT	March	4.53 ¾	↑	13 ¾	cents
Soybeans CBOT	March	13.54 ¼	↑	31 ¼	cents
Wheat CBOT	March	6.20 ¼	↑	33 ¼	cents
Wheat Minn.	March	6.82 ½	↑	27 ¾	cents
Wheat Kansas	March	6.92 ½	↑	29 ½	cents
Canadian \$	March	0.90260	↓	58	points

CORN:

The USDA expects US crop prices to decline in the near term but remain above 2007 levels over the next 10 years, according to its annual baseline projections. These annual projections cover agricultural commodities, agricultural trade, and aggregate indicators of the sector, such as farm income. The USDA's baseline report starts off this new year of crop forecasting and its initial projections will be updated at the USDA's Agricultural Outlook Forum on February 21.

Over the next decade, the USDA is estimating that corn acreage will continue to decline each year until the 2017 -18 crop year when the corn crop is projected to stabilize around 88 million acres. Yields are forecast to increase overtime, keeping production in the 14 billion bushel range.

SOYBEANS:

Soybean futures recently rose on news that hot and dry conditions in key soybean growing regions in Brazil have increased concerns over that countries crop condition. AgRural, a Brazilian based industry group, has lowered its estimate for Brazil's soybean crop by 1.8 million tonnes and now expects a crop of 87 million tonnes, down from their previous estimate of 88.8 million tonnes, and well below that of the USDA's recent estimate of 90 million tonnes.

Soybean harvest is progressing in Brazil; in Mato Grosso about 12 percent of the region's soybeans have been harvested. Mato Grosso is expected to produce as much as 28 percent of the total Brazilian production. Soybeans in Rio Grande do Sul, which accounts for approximately 16 percent of the nation's production, are just past the flowering stage, so precipitation during the next two weeks will be critical for pod fill.

WHEAT:

Wheat futures have shown recent strength, with values climbing back to December levels. Adverse weather in the US is threatening winter wheat crop conditions and setting up possible yield issues for the upcoming crop.



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Export demand for wheat has picked up after a sharp drop in prices made supplies from the US less expensive for foreign buyers. US wheat futures had declined while being pressured by rising global production. As prices declined, US wheat became more competitive in global markets.

2013 contract prices for February 19, at the market close, are as follows:

SWW at \$242.38 per tonne (\$6.60 /bu.), SRW at \$238.31 per tonne (\$6.49 /bu.), HRW at \$254.60 per tonne (\$6.93 /bu.), and HRS at \$245.33 per tonne (\$6.68 /bu.)