



Wednesday February 26, 2014

Commodity	Period	Price	Weekly Movement		
Corn CBOT	March	4.55 ½	↑	1 ¾	cents
Soybeans CBOT	March	14.07 ¼	↑	53	cents
Wheat CBOT	March	6.00	↓	20 ¼	cents
Wheat Minn.	March	6.70 ¼	↓	12 ¼	cents
Wheat Kansas	March	6.79	↓	13 ½	cents
Canadian \$	March	0.89800	↓	46	points

CORN:

Corn consumption has increased as a response to lower prices this year. Corn price has dropped as a direct result of lower prices of other feed ingredients. We have watched the futures markets fall on account of a large US supply. We are now seeing demand increase due to the same falling markets.

The USDA has pegged corn plantings at 92.0 million acres for the 2014 crop. This is a reduction from the 2013 level of 95.4 million acres. With ideal growing conditions, there is potential for a large corn crop again this year, given the acreage is the 4th largest since World War II. This fact, coupled with a sizable carryout for the 2013 crop would seem to suggest that we could expect continued pressure of corn futures for the next crop year as well.

SOYBEANS:

Soybean futures have risen through the month of February due to continued tight soybean stocks in the US. While the trade expects China to cancel some US sales and buy from South America, this has not yet occurred. The USDA recently announced a sale to an “unknown” buyer; bringing total sales to date above the USDA’s projected annual forecast.

As the harvest progresses in Brazil, weather issues are causing some concerns. Excessive rain in some parts of Brazil has caused speculation that this will reduce crop quality and limit yield expectations. In Argentina, yields are expected to fall as well, due to excessive rain and fungus disease, as reported by a climatologist with the Buenos Aires Grains Exchange.

WHEAT:

Egypt’s government recently approved financial guarantees of \$75.3 million for the import of wheat. This raises the possibility that Egypt will issue a new purchase tender, though it is not clear when a new tender will be issued. Their last purchase was on January 28; since then there have been some changes with the government agencies as the head of a silos and storage holding company was fired. In addition, the head of the import administration has been referred to prosecutors for suspected fraud dealings.



Ontario Grain Market Commentary for February 26 2014
By Todd Austin, Grain Farmers of Ontario

Wheat continues to rally on concerns that freezing temperatures in the US Midwest may damage crops, as recent dry weather has reduced the protective snow cover. Concerns of dry weather in the Black Sea region may stress the wheat, thereby reducing yield potential, as the soil moisture declines. Such stress would raise the need for rainfall prior to breaking dormancy.

2013 contract prices for February 26, at the market close, are as follows:

SWW at \$237.36 per tonne (\$6.46 /bu.), SRW at \$233.27 per tonne (\$6.35 /bu.), HRW at \$249.62 per tonne (\$6.79 /bu.), and HRS at \$234.90 per tonne (\$6.39 /bu.)