



<b>Wednesday May 28, 2014</b>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>July</i>	<i>4.72 ½</i>	↓	<i>2</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>July</i>	<i>14.98</i>	↓	<i>7 ½</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>July</i>	<i>6.39</i>	↓	<i>25 ¼</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>July</i>	<i>7.18</i>	↓	<i>20</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>July</i>	<i>7.36</i>	↓	<i>25 ½</i>	<i>cents</i>
<i>Canadian \$</i>	<i>June</i>	<i>0.9185</i>	↑	<i>3</i>	<i>points</i>

### Russia lifts grain export hopes for 2014-15

Russia is set for bumper grain exports next season, agriculture minister Nikolai Fyodorov said, following up last week's upgrade to the harvest estimate, as US officials turned a little more optimistic on the country's output prospects.

Fyodorov lifted the farm ministry forecast for Russian grain exports in 2014-15 by 3m tonnes to 25m tonnes. Their season starts in July.

That would leave volumes, most of which comprise wheat, only marginally behind shipments for this season, which the (USDA) expects at 25.1m tonnes and analysis group SovEcon forecasts at 25.6m tonnes.

Indeed, they would be historically strong, and well above the 16.3m tonnes achieved in 2012-13.

### CORN:

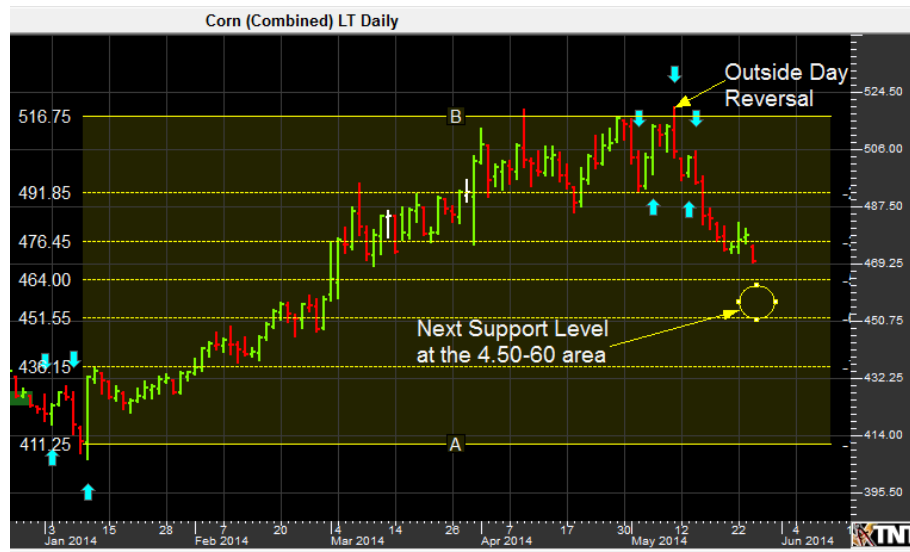
The July futures looked set for their lowest closes in nearly three months as improvements in the US weather curtailed further fears for slow spring crop sowings and for drought damage to winter grains.

The decline reflected improved weather for sowings in the US north, where wet and cold slowed planting of spring crops down to a crawl.

There are continued rumours of US officials retreating somewhat in their plans for cutting the country's ethanol mandate, and raising the guarantee for use of the biofuel, and thus the corn used in making it.



The July corn contract gapped lower following the holiday weekend and closed at its lowest area since the outside reversal day of May 9. We are now set to challenge the next major support level of 4.50-60 based on the July contract. Although the daily indicators are negative, the long term trend is still intact and the behavior at the next support area should indicate whether this is a correction or a trend change.



## SOYBEANS:

The soybean harvest in Argentina is being delayed by excess rain which is threatening the quality of the crop, Oil World said.

About 6.2 million hectares (15.3 million acres) of soybeans and 3.4 million hectares of corn still hadn't been harvested as of May 22, an "unprecedented" level that compares with 2.6 million hectares of soybeans and 1.4 million hectares of corn that were uncollected at the same time last year. Argentina's crop may still be about 55 million tonnes 15 percent bigger than last season, according to the report.

"There is now an increasing risk of quality deterioration and quantitative losses," Oil World said. "Spreading of diseases is being reported in several areas. Acreage abandonment may approach or exceed one million hectares in soybeans alone."

Soybean futures on the Chicago Board of Trade have climbed 16 percent this year amid increasing demand from China and tightening stockpiles in the U.S.

According to Oil World, China boosted oilseed imports to 7.17 million tonnes in April, up 61 percent from a year earlier. That brought the total since the 2013-14 marketing year began in October to a record 42.9 million tonnes up from 32.1 million at the same time the previous



Ontario Grain Market Commentary for May 28, 2014  
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season, according to the report. The April total included 6.5 million tonnes of soybeans and 544,000 tonnes of rapeseed and canola, mostly from Canada and Australia.

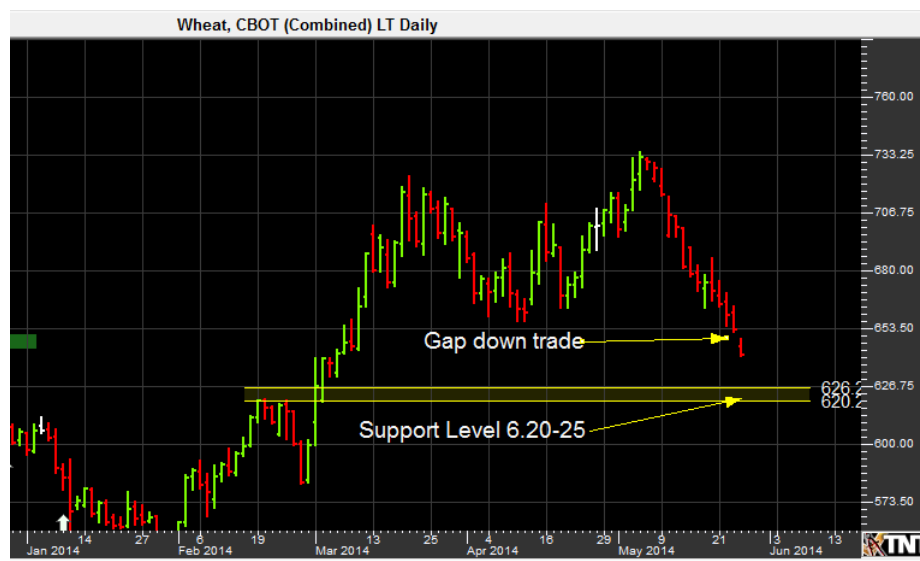
### WHEAT:

The US winter wheat crop ended an unbroken six-month spell of deterioration as rain relieved drought-hit crops in the southern Plains, just as dryness in the north allowed growers to undertake a huge level of spring sowings.

The USDA, in its much-watched weekly Crop Progress report, raised by one point to 30 percent, the proportion of US winter wheat rated in "good" or "excellent" condition.

That remained the lowest reading since 1996, a reflection of the impact of drought and late frost in southern areas including Kansas where crop condition in fact continued to decline in the latest week, by one point to 11 percent rated good or excellent. In Oklahoma, where drought has been particularly severe, crop at least stabilized at five percent rated good or excellent, and 78 percent poor or very poor, after "much-needed rainfall was received".

July futures support is seen at the 6.20-6.25 level and like the corn, may turn out to be a bottom or just temporary support before a continuation of lower prices.



**2014 harvest prices as of May 28 at the market close are as follows:**

**SWW** at \$243.99/mt (\$6.64/bu), **SRW** at \$229.96/mt (\$6.26/bu), **HRW** at \$247.99/mt (\$6.75/bu), **HRS** at \$265.23/mt (\$7.22/bu).