



Wednesday, August 13, 2014					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Sep</i>	<i>3.58</i>	↓	<i>5</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Aug</i>	<i>12.64</i>	↑	<i>24</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>5.28</i>	↓	<i>40</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>6.04</i>	↓	<i>38</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>6.04</i>	↓	<i>52</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sept</i>	<i>0.9146</i>	↓	<i>05</i>	<i>points</i>

CORN:

In Tuesday's monthly WASDE report, the US Department of Agriculture (USDA) raised its estimate for the domestic corn yield. However, the change was an increase of 2.1 bushels per acre (to 167.4 bushels per acre) which was less than half the amount that analyst had expected.

The apparent underestimate seems to point to crop measuring techniques which will be adjusted as the crop matures and benefits are seen from ideal growing conditions for much of the corn growing states. There is a widespread sentiment among market participants that future yield surveys will find more bushels based on heavy ear weights. It all comes down to the number of kernels per ear once the crop has matured. September WASDE numbers could show yields closer to the 170-175 bushels per acre.

The report temporarily pushed December corn futures to new lows before rebounding and closing positive on the day at \$3.69 a bushel in Chicago. Trend indicators are still negative, however, Tuesday's action gave me my first short term buy signal since last May. But don't get too excited, the trend is still negative and it looks like we have a lot of work to do before we get a trend change. Major upside resistance is pegged at \$4 - \$4.20 per bushel.

SOYBEANS:

The USDA report allowed the 2014-15 soybean ending stocks estimate to rise to 430 million bushels, up from 415 million in July. (Analysts had been looking for 409 million.) It was far above the tight 2013-14 ending stocks level of just 140 million.

Last week, August beans were trading around the \$12.20 mark and we anticipated a possible short covering move to the \$13.00 level before the contract expired. We got the \$1.00 move in spades. The August hit \$13.29 before selling off. With that said, we are now looking to September as the lead month and still showing the upward pressures of an inverted market.



Ontario Grain Market Commentary for August 13 2014
By Marty Hibbs, Grain Farmers of Ontario

Long term indicators still entrenched in a strong downtrend with overhead resistance on the September contract now at \$11.30 and \$11.60.

WHEAT:

Although it was short lived, the Chicago wheat futures staged their most significant rally since the extended decline began in May. Expectations for improved export demand helped trigger a round of short covering ahead of USDA's crop production report this week. Trade estimates for wheat production average 2.015 billion bushels, a 23 million bushel increase from last month. The major trend is still negative and the September contract is now looking at support at the \$5.20 level. There is a lot of work to do before we start to see any sustainable increases in futures prices.

2014 harvest prices as of the close of August 13 are as follows:

SWW at \$212.07/mt (\$5.77/bu), **HRW** at \$220.10/mt (\$5.59/bu),

HRS at \$218.69/mt (\$5.95/bu), **SRW** at \$202.03/mt (\$5.50/bu).