This week's markets have displayed something of a subdued tone in the run up to Monday's crucial stocks and seeding report. The report will provide prospective crop acreages and 1 March stock levels. The March report has a habit of springing surprises, which in turn can produce big price moves; hence it's importance.

The pre-report estimates are as follows:

	Analyst estimates 1 March 2014	USDA 1 March 2013	Range of estimates for 2014
Corn			
Sowings (million acres)	92.748	95.365	90.500 - 94.000
March 1 stocks (million bu)	7,099	5,400	6,861 - 7,540
Soybeans			
Sowings (million acres)	81.075	76.533	78.500 - 83.600
March 1 stocks (million bu)	989	998	955 - 1,087
Wheat			
Sowings (million acres)	56.277	56.156	54.800 - 57.711
March 1 stocks (million bu)	1,042	1,235	985 - 1,115

The January '14 report saw corn prices jump 5% (and marked the low price of the year so far) as it became clear that US feeders had switched to wheat due to the historically high price discount. Soybeans moved little, and wheat fell almost 3%. March '13 saw all three crops decline in price, corn by nearly 5.5%, soybeans close to 3.5% and wheat by a huge 6.7%. March '12, by way of contrast, saw prices rising in unison, corn over 6.5%, soybeans 3.5% and wheat almost 8%.

Clearly, the report has the capacity to initiate big price moves. What will happen on Monday? Given the history of price swings it is not surprising that we see a wide range of estimates (see table), which underlies the degree of uncertainty and lack of consensus in the marketplace.

Some of the "surprise" factors could include a revision (upwards) of 2013 soybean output, and hence stocks although this could be offset or totally negated by an adjustment in the "residual" number. In corn, there is the potential for record DDG output to displace corn in feed as well as overall feed to decline following lower numbers of both pigs and cattle being fed.

Monday will no doubt be interesting!

Moving away from Monday's report, there is much talk of planting delays in the US as a result of lingering cold conditions, specifically in the Midwest, northern Plains and Great Lakes. Soil temperatures are a key determinant in planting both corn and soybeans, for corn soil needs to be 10□ (50□) or above, and for soybeans 13□ (55□). Currently soil conditions are some way from favourable and the traditional April/May planting window is fast approaching. Late planting places crops at risk from summer's hot and dry conditions because root systems do not develop sufficiently and lack depth to draw adequate moisture to support optimal growth.

We have once again seen reports of further rejections of US corn by China for non-approved GM contamination with MIR 162. The total tonnage rejected by China in five months stands at 908,800 mt according to the Reuters news agency. Anticipation of sales of domestic stocks from state reserves or cheaper supplies from Ukraine are also a likely driver of the latest rejections. China is reported to hold some 90 million mt of corn in national stockpiles, and is expected to release some of this for sale before long.

Ukraine's 2014 grain harvest is likely to fall by 9% to 57.3 million mt, a decline from approximately 63 million mt in 2013, according to analysts APK Inform. A reduction in planted area due to capped funding from banks was cited as key to the reduction. Wheat was estimated at 19.2 million mt against 22.3 million mt in 2013 and corn was forecast at 29 million mt versus 30.9 last year they said. The Crimean peninsula was excluded from output following the recent Russian seizure. Spring sowing has progressed well with over half the expected area now planted although some expect as much as 20% to remain unplanted due to lack of financing.

In almost the same breath, Russia expect the accession of Crimea to boost their grain output by as much as 2 million mt according to their Agriculture Minister. 2013 grain output was stated at 92.4 million mt, and 2014 was estimated to be 97 million mt in addition to that of Crimea. Seemingly Ukraine's loss is Russia's gain! News from exporters on the ground in Crimea is business as usual.

We saw a further week of massive EU wheat export licences granted by Brussels, which saw both London and Paris wheat markets making gains. The week's total hit 900,408 mt, which brought the season total to 23.966 million mt. This is 7.298 million mt (43.8%) ahead of last year. To hit the USDA's latest 29 million mt EU wheat export total it is only necessary for weekly exports over the remaining 15 weeks of the season to hit 335,573 mt. Lack of Black Sea exports and ongoing corn imports make this look far more likely than we may have thought even three months ago.

EU weekly corn import license volume hit 501,000 mt bringing the season so far to 10.1 million mt, which is 16% higher than the same time last season. In the UK, DEFRA increased its estimate for corn imports for 2013/14 to 2.01 million mt, higher than last year's 1.69 million mt. There was an expectation of reduced corn imports into the UK after 2012/13 saw increased volumes due to the weather damaged wheat crop quality, thereby necessitating feed quality grain imports. It would seem that the UK feed manufacturer has developed an appetite for corn, no doubt driven by the price discount it has enjoyed, compared with wheat, and allowing an average inclusion level of some 11% in feed diets. Doubtless, increased supply from Ukraine who proved a competitive seller, particularly early in the season, has aided the situation.

In conclusion, the week has seen little in the way of fresh news and is pausing for breath prior to Monday's key report. Markets feel a little tired, and in need of a new injection of information – which is sure to come next week. Good news, or bad news? Doubtless, that is surely dependent upon whether you are buyer, seller, long or short – AND what Monday brings.