



Wednesday 9 February 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	Mar.	6.980	↑	28 ¾	cents
Soybeans CBOT	Mar.	14.510	↑	7	cents
Wheat CBOT	Mar.	8.860	↑	23	cents
Wheat Minn.	Mar.	10.270	↑	16 ¾	cents
Wheat Kansas	Mar.	9.880	↑	35 ¾	cents
Canadian \$	Mar.	1.0045	↓	68	points

CORN

U.S. stockpiles of corn before the next harvest will be 9.4 percent smaller than estimated last month. This is a larger than expected drop due to an increase in demand, including an increase in ethanol production. The surplus will be 675 million bushels, down from 745 million forecast in January and less than 1.708 billion on hand a year earlier, the U.S. Department of Agriculture said Wednesday in a report. Corn prices have jumped 89 percent in the past year.

The USDA estimated world production in the 2010-2011 season, which began Oct. 1, at 814.26 million metric tons, down from 816.01 million forecast in January because of dry weather in Argentina. That compares with a record 812.34 million tons harvested last season. World inventories before next year's harvest will total 122.51 million tons, down from 127 million estimated in January and from 145.16 million last year.

SOYBEANS

Both soybean meal and soybean oil consumption slowed in December. Soybean meal exports and export sales are currently running well behind the pace projected by the USDA. Soybean oil exports and sales are stronger than projected, but domestic use of soybean oil for biodiesel production is down sharply.

The USDA projects the 2010-11 marketing year crush at 1.655 billion bushels, 97 million bushels (5.5 percent) smaller than the crush of a year earlier. Soybean exports during the current marketing year will total 1.59 billion bushels, 89 million more than exported last year.

WHEAT

Wheat markets were supported this week by strong and urgent demand from several countries in the Middle East and Northern Africa, including Jordan, Algeria and Egypt. The political unrest in the area is pressuring governments to stock up on food to satisfy the people and provide stability, even though prices are high. A lower US dollar index has allowed some of these large purchases to be slightly more affordable.

The USDA report on Feb 9 was fairly neutral for wheat as US ending stocks were unchanged at 818 million bushels, but wheat still moved higher on spillover support from the corn market. Dry areas in the US Midwest did receive some snow cover this week which should ease some production concerns. Global wheat supplies were revised down slightly on dryness in the Ukraine.



Ontario Grain Market Commentary for February 9, 2011
By Rod Crinklaw, Grain Farmers of Ontario

Current contract prices for February 9, 2011 at the close are as follows:
SWW at \$302.11 per tonne (\$8.22/bu.), SRW at \$302.11 per tonne (\$8.22/bu.), HRW at \$316.74 per tonne (\$8.62/bu.), and HRS at \$357.34 per tonne (\$9.73/bu.).