



Wednesday 2 March 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	May.	7.23 ¼	↑	21	cents
Soybeans CBOT	May.	13.93 ¼	↑	61 ¼	cents
Wheat CBOT	May.	8.10	↑	11 ¼	cents
Wheat Minn.	May.	9.40 ½	↑	21	cents
Wheat Kansas	May.	9.09	↑	18 ¼	cents
Canadian \$	Mar.	1.0296	↑	198	points

CORN

Corn values traded erratically this week showing signs of strength due to first of the month fund buying and then weakness due to a technical selloff triggered after prices reached a 32 month high on Tuesday night. The debate continues as to how tight the old crop corn situation is and whether supplies will hold up through the summer. The USDA is now surveying for the March 31 prospective plantings report which will set the tone for the upcoming crop.

The wheat-corn spread has collapsed considerably in the last couple weeks as the corn market continues to trend upward and the wheat market has moved sideways since the big decline on Feb 22. This smaller spread will make wheat more attractive as a feed ingredient and could find it displacing corn in some rations.

SOYBEANS

Soybeans posted strong gains this week as talk of flooding in Brazil and possible harvest delays there hit the newswire. Some estimate that the harvest in Brazil is now approximately 20% complete compared to a normal year where 33% would be off.

The trade is now balancing crop expectations in South America versus new crop US planting intentions to determine how tight stocks will be. The USDA prospective plantings report due out March 31 will be crucial to the soybean market going forward. Leading up to that report there will be much speculation and positioning in anticipation of the actual estimates.

WHEAT

Wheat markets moved in a slightly upward to sideways trend since last week and in doing so narrowed the corn-wheat spread considerably. This may lead to more wheat finding its way into feed rations due to its affordability versus corn. Middle Eastern countries continued to buy US wheat as a Saudi purchase was announced. Larger world wheat prospects on better weather in China and Pakistan announcing they would export more wheat this year was countered by dismal crop ratings out of the US Hard Red Winter producing states.

Ontario basis values mostly improved as traders rolled off the March option to the May last week, but a strengthening Canadian dollar has eroded away some of the visible appreciation on the cash market.

Current contract prices for March 2, 2011 at the close are as follows:



Ontario Grain Market Commentary for March 2, 2011
By Rod Crinklaw, Grain Farmers of Ontario

SWW at \$259.54 per tonne (\$7.06 /bu.), SRW at \$259.54 per tonne (\$7.06 /bu.), HRW at \$277.41 per tonne (\$7.55 /bu.), and HRS at \$320.74 per tonne (\$8.73 /bu.).