



Wednesday 16 March 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	May.	6.17 ³ / ₄	↓	83 ¹ / ₄	cents
Soybeans CBOT	May.	12.89	↓	60	cents
Wheat CBOT	May.	6.63	↓	95 ³ / ₄	cents
Wheat Minn.	May.	8.06	↓	97 ³ / ₄	cents
Wheat Kansas	May.	7.78 ¹ / ₄	↓	75 ¹ / ₄	cents
Canadian \$	Jun.	1.0069	↓	234	points

CORN

Corn futures traded limit down on Tuesday as concerns over the Japanese nuclear crisis drove traders to reduce risk in a host of markets. Markets tumbled as concerns increased about Japan's infrastructure and economy following Friday's earthquake and tsunami and a subsequent crisis at a nuclear plant. Worries that Japan's demand for commodities will drop off in the near term sent buyers to the sidelines as investors pulled cash out of risky assets in favor of more liquid holdings such as U.S. dollars. Japan is a large importer of corn and pork, as well as a key consumer of soybeans, wheat and beef.

Corn futures have pulled back 12% since reaching a 32-month high on March 4 on concerns global supplies would fall short of ongoing, strong demand. Yet worries have been growing about a potential global economic slowdown, driven by high energy prices and unrest in the Middle East and North Africa. The Japanese disaster is further fueling concerns among investors.

The USDA report released on March 10 showed no changes to the US corn supply, but did increase world ending stocks slightly.

SOYBEANS

Soybean markets were also affected by the Japan crisis and traded limit down on Tuesday. However the Soybean market did show more strength on Wednesday than corn and wheat, gaining back 17 cents.

Brazil crop estimates have been cut for the harvest in the world's second-ranked soybean producing country by 1m tonnes to 70m-71m tonnes, citing rains which had hit the crop at a vulnerable time. Further downgrades may be in the offing if rainfall persists, raising a question mark over whether the harvest will beat 2010's record of 68.5m tonnes.

The March 10 USDA report had US soybean stocks unchanged from the previous month as world stocks increased marginally.



Ontario Grain Market Commentary for March 16, 2011
By Rod Crinklaw, Grain Farmers of Ontario

WHEAT

Japan, a steady buyer of wheat, said it is proceeding with its regular wheat import tenders, despite the earthquake and tsunami. Yet, traders are concerned the government may curb its purchases or be unable to take delivery of grain due to damaged ports in the north.

The March 10 USDA report had US wheat stocks increasing to 843 million bushels, well above the average trade guess. Slow exports out of the US since February are to blame for the excess wheat. World stocks also increased due to production increases in Australia and Argentina.

Current contract prices for March 16, 2011 at the close are as follows:

SWW at \$209.38 per tonne (\$5.70 /bu.), SRW at \$214.83 per tonne (\$5.85 /bu.), HRW at \$231.15 per tonne (\$6.29 /bu.), and HRS at \$276.88 per tonne (\$7.54 /bu.).