



Wednesday March 30, 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	May.	6.63 ¼	↓	17 ¾	cents
Soybeans CBOT	May.	13.72	↑	20 ¾	cents
Wheat CBOT	May.	7.27 ¼	↑	13	cents
Wheat Minn.	May.	8.86	↑	41	cents
Wheat Kansas	May.	8.62	↑	17	cents
Canadian \$	Jun.	1.0278	↑	98	points

CORN

Given that corn and soybean carryout are at some of the tightest levels in recent history, the trade is anxiously awaiting the USDA planting intention report. Where will the acreage play out; larger corn acres, larger soy acres, or both.

Since the U.S. does supply much of the world's corn, this acreage report is a key indicator of where the market may head this year. Soybeans, on the other hand, have an opportunity to plant more acres in South America if the U.S. numbers come in low.

In addition to the acreage numbers, how the trade - both buyers and sellers, react to the report that will be of interest to producers. If corn acreage is below expectation will buyers get aggressive early to lock in volume? Conversely, will a larger acreage allow buyers to hold off, in hope of buying into lower prices in the future?

SOYBEANS

The soybean market has been consolidating ahead of the USDA report on the 31st. Prior to Thursday's report, too much rain in parts of Brazil, plus some improvement in outside market factors have pushed the market moderately higher.

Analysts attribute the moderate decrease in soybean acres to farmers expanding the amount of land devoted to corn and cotton. This is driven primarily by economics, as farmers look to take advantage of the larger profit margin netted from the other crops. The trade is also expecting cotton to steal from soybean acres more so than from corn acreage in the Southern U.S.

In the near term it is not necessarily demand driven, but rather a function of supply and the Thursday acreage report will address that. The acreage numbers will give us a starting point; however, any improvement on carryout stocks will certainly be closely linked to production levels. The weather will also be a huge factor this year.

WHEAT

Crop conditions deteriorated last week in Oklahoma and Texas due to persistent dry weather. The U.S. Agriculture Department says 56 percent of the winter wheat crop in Texas is in poor, to very poor condition in early March. Oklahoma fared slightly better with 41 percent of the crop in poor, to very poor condition. Meanwhile, the Kansas Agricultural Statistics Service said this week that 37 percent of the crop was in poor, to very poor condition.



Ontario Grain Market Commentary for March 23, 2011
By Todd Austin, Grain Farmers of Ontario

Kansas City values are gaining on Chicago, due to relative supply demand fundamentals between the drought affected U.S. HRW and generally favourable SRW production prospects. A sharply smaller crop, due to drought, this year will find U.S. HRW ending stocks plunging to near record tightness.

Current contract prices for March 30, 2011 at the close are as follows:

SWW at \$242.10 per tonne (\$6.59 /bu.), SRW at \$240.31 per tonne (\$6.54 /bu.), HRW at \$256.40 per tonne (\$6.98 /bu.), and HRS at \$306.72 per tonne (\$8.35 /bu.).