



Wednesday April 6, 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	May.	7.63	↑	99 ¾	cents
Soybeans CBOT	May.	13.76 ½	↑	4 ½	cents
Wheat CBOT	May.	7.82 ¼	↑	55	cents
Wheat Minn.	May.	9.54 ½	↑	68 ½	cents
Wheat Kansas	May.	9.39 ½	↑	77 ½	cents
Canadian \$	Jun.	1.0404	↑	126	points

CORN

Since last summer, corn futures have more than doubled, due to both strong export and domestic demand from ethanol and livestock. Even though the U.S. crop was the third largest on record, corn inventories continue to shrink. As of March 1, inventories were down 15 percent from a year earlier.

Average trade estimates expect the next USDA report to project ending corn stocks at 595 million bushels, compared to 675 million in March; this will bring the carryout to use ratio to 4.3%. Corn continues to be used at an incredible pace.

The USDA's survey of U.S. farmers found they intend to plant 92.2 million acres of corn—the nation's biggest crop. With normal weather, the acreage that U.S. farmers intend to plant should produce between 13.6 billion bushels and 13.8 billion bushels of corn in the fall. Any delays caused by unusually wet or cool weather could force farmers to plant less corn.

SOYBEANS

According to the 2011 Prospective Plantings report by the USDA, U.S. farmers will plant 76.6 million acres of soybeans this year. USDA estimates this year's soybean crop may be 1 percent lower than last year. However, if the numbers hold, the 2011 soybean crop could be the third-largest planted area on record.

Last week's USDA data was, on the face of it, bullish for soybeans too, but sentiment over the oilseed has been depressed by a lack of Chinese import orders, and by expectations that Friday's World Agricultural Supply and Demand Estimates will lift forecasts for world production.

WHEAT

The wheat – corn spread continues to tighten in an attempt to increase new crop wheat feeding to help temper corn feed demand. The grain market is related through animal feed because producers tend to switch from corn to wheat and right now wheat is supported by corn. SRW feeding has ranged from 34 to 161 million bushels in past years.



Ontario Grain Market Commentary for April 6, 2011
By Todd Austin, Grain Farmers of Ontario

U.S. wheat conditions have fallen to their lowest ratings since 2002, about 37 percent of the U.S. crop was good or excellent, down from 65 percent a year earlier. The USDA has downgraded the crop ratings for critical growing regions following persistent dry conditions and there are fears of production losses if conditions do not improve in the near future.

Drought in the hard red winter wheat areas of the U.S. continues. Forecasts show little moisture into mid April, which set the crop up for permanent damage leading to yield loss or abandonment. Some of the trade are estimating HRW production at 848 million bushels versus 1.02 billion bushels last year.

Current contract prices for April 6, 2011 at the close are as follows:

SWW at \$285.67 per tonne (\$7.04 /bu.), SRW at \$256.90 per tonne (\$6.99 /bu.), HRW at \$272.80 per tonne (\$7.42 /bu.), and HRS at \$327.29 per tonne (\$8.91 /bu.).