



Wednesday May 4, 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	July	7.29 ½	↓	29 ¾	cents
Soybeans CBOT	July	13.52	↓	32 ½	cents
Wheat CBOT	July	7.72	↓	40	cents
Wheat Minn.	July	9.15 ¼	↓	39	cents
Wheat Kansas	July	8.77 ¾	↓	45 ¾	cents
Canadian \$	Jun.	1.0423	↓	77	points

CORN

U.S. corn planting continues to be slow. Wet weather has limited planting progress to an anaemic 13 percent versus a five year average of nearly 40 percent. This is one of the slowest paces in decades. While the lag in planting progress is important, it is not the ultimate defining issue for this year's corn crop.

Despite slow plantings in the past, there have been years where the corn yields have been respectable. On the flip side, other slow planting years resulted in a few million less corn acres. Ultimately, this leads to much uncertainty in the corn market, resulting in continued market volatility.

SOYBEANS

Harvesting pressure in Brazil and Argentina is adding bearish market sentiments into the soy markets. Spot prices as well as deferred prices continue to trade lower, on news of larger harvest expectations in South America. Strengthening in the U.S. dollar is also contributing to a general decline in commodity values, as it makes the commodities relatively more expensive to purchase.

The traditional Asian appetite for soy products plus China's need to feed its own expanding livestock herds are boosting Latin American soybean exports across the Pacific. This need for soybeans is so serious that the Chinese are willing to invest large amounts of capital to assure a consistent long-term supply. Last month China announced a \$10 billion outlay in Brazil for the production, storage and transportation of soybeans.

WHEAT

Spring wheat planting, like corn, is progressing slowly. Only 6 percent of the nation's spring wheat has been planted compared with 5 percent the previous week, 39 percent last year and 25 percent for the five-year average. USDA's winter wheat crop condition rating was dropped 1 percent to 35 percent good to excellent, 25 percent fair and 40 percent poor or very poor.

It is estimated that 50 percent of Ontario's winter wheat has had nitrogen applied to it. Mother



Ontario Grain Market Commentary for May 4, 2011
By Todd Austin, Grain Farmers of Ontario

Nature has not been cooperating with us to get nitrogen on the balance of acres. This also means that the wheat is not progressing very quickly. On the positive side, not much wheat has been written off due to winter kill this year.

Current contract prices for May 4, 2011 at the close of the markets are as follows:

SWW at \$245.65 per tonne (\$6.69 /bu.), SRW at \$250.94 per tonne (\$6.83 /bu.), HRW at \$268.56 per tonne (\$7.31 /bu.), and HRS at \$317.29 per tonne (\$8.64 /bu.).