



Wednesday May 11, 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	July	6.77 ¼	↓	52 ¼	cents
Soybeans CBOT	July	13.32 ¼	↓	19 ¼	cents
Wheat CBOT	July	7.59	↓	13	cents
Wheat Minn.	July	9.25 ½	↑	10 ¼	cents
Wheat Kansas	July	9.00	↑	22 ¼	cents
Canadian \$	Jun.	1.0397	↓	283	points

CORN

The CME is seeking to raise the daily limit for corn futures at the Chicago Board of Trade, to 40 cents from 30 cents, abandoning an earlier proposal to expand the limit to 50 cents. The CME said a wider limit is needed due to increased prices and volatility in the market.

According to the USDA, Corn is expected to increase to 730 million bushels from the April estimate of 675 million bushels. The resulting U.S. ending stocks-to-use ratio is a still-tight 5.4 percent, down 57 percent from 2009-10 ending stockpiles. Estimated carryout for the next crop year is approaching 900 million bushels, though the percentage of use is expected to be 6.7 percent; corn supplies remain historically tight.

The latest USDA's Crop Progress Report indicated 40 percent of the 2011 corn crop is in the ground; this compares to only 13 percent last week. Many States such as Iowa, Kansas, Nebraska, and Missouri, have planted nearly 60 percent or more of their intended acreage. Here in Ontario, corn acres are also getting planted, especially into the lighter soils.

SOYBEANS

Soybean ending stocks also increased, to 170 million bushels, from the April estimate of 140 million bushels, due to a 10 million bushel decrease in exports and 11 million bushel reduction in the residual category. The stocks-to-use ratio is 5.1 percent. Increased competition from South America has limited the U.S. inventory drawdown.

This year, Brazil will harvest this year a record crop of 158.7 million tons, 6 percent higher than last year's 149.7 million tons, according to the latest release from the country's Geography and Statistics Institute, IBGE. The IBGE release says that 48.6 million hectares were planted this season, which is 4.3 percent more than in 2009/10.

The US agribusinesses have joined Brazilian companies which are expanding facilities in a bet that the government will double to 10 percent the amount of bio-fuel that must be blended into petroleum-based diesel. Brazil demands that diesel sold at the pump contain 5 percent bio-fuel. It's the third-largest market by capacity after the US and Germany. But industry executives expect the Brazilian government to double it to 10 percent within three years, giving Brazil the world's highest bio-diesel blending rate.



WHEAT

Domestic wheat ending stocks remained unchanged at 839 million bushels, meaning the ending stocks-to-use ratio is a touch tighter at 34.2 percent. The global wheat inventory will likely be 182.1 million tons before the start of the Northern Hemisphere harvest, below the USDA's estimate of 182.83 million tons last month.

The U.S. Department of Agriculture reported that about 42 per cent of the American winter wheat crop was rated poor or very poor in the week ending Sunday, up by eight per cent from the same period in 2010.

The Canadian Wheat Board has indicated that fields are so wet that only three per cent of grain has been sown, compared with 40 per cent normally by this time of year. Ontario spring wheat planting is progressing in most areas where fields have dried. Other than pockets where field remain waterlogged, spring wheat planting continues

Current contract prices for May 11, 2011 at the close of the markets are as follows:

SWW at \$241.77 per tonne (\$6.58 /bu.), SRW at \$246.92 per tonne (\$6.72 /bu.), HRW at \$264.55 per tonne (\$7.20 /bu.), and HRS at \$321.69 per tonne (\$8.76 /bu.).