



Wednesday August 17, 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	Sept	7.11 ½	↑	33.5	cents
Soybeans CBOT	Sept	13.56 ¾	↑	61 ¼	cents
Wheat CBOT	Sept	7.27 ½	↑	42 ½	cents
Wheat Minn.	Sept	9.16 ¾	↑	79 ½	cents
Wheat Kansas	Sept	8.23 ¼	↑	38 ¼	cents
Canadian \$	Sept.	1.01960	↑	151	points

CORN

Corn output this year will total 12.914 billion bushels, compared with 13.47 billion projected in July and 12.447 billion harvested in 2010, according to the U.S. Department of Agriculture. Inventories will total 714 million bushels when the next marketing year ends on Aug. 31, 2012, compared with 870 million forecast in July and 940 million expected this year.

Trade continues to focus on the likelihood of demand rationing, in light of tight supply. Private analyst estimates corn at 150.5 bushels per acre versus the USDA August estimate of 153.0. Smaller yields and acreage sets the stage for more demand rationing.

SOYBEANS

Forecasts in the US are calling for cool temperatures; however soybeans could still use more moisture to aid in bean development. Soybean futures may trend lower on speculation that rain will boost U.S. yields, just as plants need moisture to fill pods with beans. Trade is watching for the possibility of a moderately larger final U.S. soybean yield, in-line with other historical yield change patterns.

South American grain and oilseed production may be in jeopardy from the formation of a La Nina weather pattern, which may curb rainfall in parts of Brazil and Argentina, according to Oil World. Dry weather since April in central Brazil may prevent seedlings from taking root when sowing starts.

WHEAT

Wheat rallied in Chicago on speculation that hot, dry weather in the U.S. plains may curb seeding of winter varieties and on concern adverse weather in Russia and Ukraine might hurt their crops. Dry weather in the U.S. cut soil moisture for winter-wheat areas of the southern Plains this week, while a dry spell in Russia is threatening spring wheat, corn and sunflowers in the Volga Valley.

A preliminary release on Farm Service Agency 2011 acreage numbers suggests that harvested acres will be reduced because of this past spring's weather issues. Wheat prices jumped to their highest levels since June, returning to \$9 a bushel in Minneapolis, on data signalling



Ontario Grain Market Commentary for August 17, 2011
By Todd Austin, Grain Farmers of Ontario

that farmers had claimed insurance on a high number of lost acres added to fears for the quality of the harvest.

Harvest contract prices for August 17, 2011 at the close of the market, are as follows:

SWW at \$256.70 per tonne (\$6.99 /bu.), SRW at \$249.49 per tonne (\$6.79 /bu.), HRW at \$283.71 per tonne (\$7.72 /bu.), and HRS at \$328.48 per tonne (\$8.94 /bu.).