



Wednesday September 7, 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	Dec.	7.48	↓	19 ½	cents
Soybeans CBOT	Nov.	14.20 ¾	↓	36 ¾	cents
Wheat CBOT	Dec.	7.51 ½	↓	40	cents
Wheat Minn.	Dec.	9.46 ½	↓	20	cents
Wheat Kansas	Dec.	8.95	↓	36	cents
Canadian \$	Dec.	1.01230	↓	66	points

There is speculation that Europe's sovereign-debt crisis will hinder the global economy, reducing demand for food, livestock feed and fuel made from crops. Increasing European debt problems depressed commodity demand. Commodity markets remain beset by concerns over global growth and the risks of sliding into another recession, with the situation made worse by the lack of any solution to Europe's sovereign debt crisis.

CORN

Illinois and other top corn-growing states showed the adverse effects of high temperatures during the crop's critical pollination phase during July, with many ears failing to fully fill out with kernels. The U.S. corn and soybean 2011 crops seem to be definitely smaller than everyone first thought, market watchers say.

Conventional wisdom has the U.S. estimate smaller than the USDA's last estimate of 153 bushels per acre. Recent private estimates have the U.S. corn yield ranging from 143-151 bushels per acre. Crop forecaster Informa Economics pegged the U.S. corn crop yield at 151.0 bushels per acre, down from its previous forecast of 158.0, and they pegged production at 12.711 billion bushels, below its previous forecast of 13.353 billion. By contrast, FC Stone, recently forecast the corn yield at 146.3 bushels per acre.

SOYBEANS

Agricultural firm information group Informa has lowered its 2011/12 U.S. soybean yield estimate to 41.5 bushels per acre, down from its previous estimate of 42.5 but above the U.S. Department of Agriculture's (USA) latest figure of 41.4. At this level U.S. stocks would be considered tight.

China recently indicated that it will increase soybean stockpiles to ensure supplies. There is continued talk that China is extending their import needs for Soybeans through the purchase of South America Soybeans into a time frame when there is normally a switch to new crop US soybeans.

WHEAT

Members of the Minneapolis Grain Exchange voted 262-6 in favour of a rule change announced last month that will allow delivery of non-U.S. wheat against MGEX spring wheat futures. Pending approval by the U.S. Commodity Futures Trading Commission, MGEX said the rule change allowing non-U.S. wheat deliveries will become effective no later than the May 2013 contract month.



Ontario Grain Market Commentary for September 7, 2011
By Todd Austin, Grain Farmers of Ontario

Buyers like Egypt quickly returned to buying wheat from Russia after the export ban was lifted. Egypt is now Russia's largest customer and its purchases account for the bulk of grain waiting at Russian ports to be loaded onto ships. Demand for Russia's grain has surged since the export ban expired on July 1, putting heavy pressure on the country's infrastructure.

Harvest contract prices for September 7, 2011 at the close of the market, are as follows:

SWW at \$252.36 per tonne (\$6.87 /bu.), SRW at \$252.36 per tonne (\$6.87 /bu.), HRW at \$284.97 per tonne (\$7.76 /bu.), and HRS at \$332.07 per tonne (\$9.04 /bu.).