



Ontario Grain Market Commentary for September 1, 2011
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday September 14, 2011

Commodity	Period	Price	Weekly Movement		
Corn CBOT	Dec.	7.243	↓	23.75	cents
Soybeans CBOT	Nov.	13.828	↓	38.00	cents
Wheat CBOT	Dec.	7.045	↓	47.00	cents
Wheat Minn.	Dec.	8.648	↓	81.75	cents
Wheat Kansas	Dec.	8.025	↓	92.50	cents
Canadian \$	Dec.	1.008	↓	41.00	points

Amidst talks of debt default likelihood in Greece, and Italy paying record interest rate to sell its bonds on Tuesday as it raced to calm market fears that could trigger a crisis in the rest of the euro-zone, Canada's big banks continued to issue warnings of slowing economic growth. TD Economics news release on Tuesday suggests that The U.S. economy can continue to expand at a meager pace, though it has very little in the way of cushioning future shocks.

CORN

USDA report set production to just under 12.5 billion bushels of corn, which is under its August forecast by more than 400M bushels. Average yield was also lowered by approximately 5 bushels/acre to just over 148 bushels/acre. Following the USDA report corn demand dropped on declining ethanol producers and makers of livestock feeds seeking cheaper substitutes. However, this year's corn crop would remain bigger than last years and the third largest on record according to the recent USDA report.

SOYBEANS

Soybeans for November delivery, the most actively traded contract, dropped 9 cents, or 0.6%, to \$13.82 ¾ a bushel. Prices were pressured by projections for farmers to harvest more soybeans than previously expected. The market slipped since the USDA report on Monday unexpectedly raised its outlook for output and inventories forecast to 3.085 billion bushels, above trade estimates for 3.032 billion bushels and up from its August estimate of 3.056 billion bushels, due to higher yields which are now set to an average of 41.8 bushels/acre.

WHEAT

Wheat futures closed lower in response to USDA's increased estimates for global wheat inventories. USDA raised outlook by 5.7M tonnes to 194.6M tonnes for world wheat inventories for 2011-12. This included a 3% increase in August for Canada and Europe. The report cut US export projections to balance the anticipated increase in global competition by 75M bushels. Prices will likely continue to feel market pressure later this year as Australia; the world's fourth largest exporter of wheat is forecasting a strong output. CBOT wheat for December fell 1.8% to \$7.16 ¾ a bushel for December delivery.

Harvest contract prices for September 14, 2011 at the close of the market, are as follows:



Ontario Grain Market Commentary for September 1, 2011
By Ahmed Chilmeran, Grain Farmers of Ontario

SWW at \$236.72 per tonne (\$6.44 /bu.), SRW at \$236.72 per tonne (\$6.44 /bu.), HRW at \$269.52 per tonne (\$7.34 /bu.), and HRS at \$311.52 per tonne (\$8.48 /bu.).