



Ontario Grain Market Commentary for November 30, 2011  
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Wednesday November 30, 2011

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Dec.	6.0125	↑	12.50	cents
Soybeans CBOT	Jan	11.3125	↓	23.75	cents
Wheat CBOT	Dec.	5.9575	↑	21.00	cents
Wheat Minn.	Mar	8.2350	↑	17.25	cents
Wheat Kansas	Dec.	6.5100	↑	8.50	cents
Canadian \$	Dec.	0.9798	↑	252.00	points

Canada's central bank among others like the US Federal Reserve, the European Central Bank, and the central banks of Japan, Britain, and Switzerland joined forces on Wednesday upon a dire request from EU ministers to provide cheaper liquidity to European banks facing a credit crunch in hopes of dodging a blow that may offset a financial meltdown. The move is reminiscent of the the 2008 financial crisis after the collapse of Lehman Brothers. Italy is now a center piece of the euro debt crisis and have been squeezed particularly hard as Rome's borrowing costs have soared towards an unsustainable 8%. This saw the resource heavy TSX on route for the biggest jump since early October with mere 2.5%. China's central bank on the other hand moved to ease credit by cutting reserve requirements to free up funds for lending to cash strapped small businesses as China's economic growth continues to feel the sluggish pace for three straight quarters. The loonie hit its highest mark in more than two weeks against its US counterpart due to stronger than expected domestic growth data and the joint move by the major central banks.

## **CORN**

Corn fell in Chicago, extending a monthly decline, as Morgan Stanley forecast put pressure on prices next year from higher South American exports. Lower prices in the first half of the coming year may encourage China, the world's second largest corn user; to boost imports according to Australia & New Zealand Banking Group Ltd. Southwestern Ontario corn harvested this fall has seen variable levels of vomitoxin, and as such producers will find out more about what the tolerance levels are at various delivery points, such as local elevators and mills.



## **SOYBEANS**

Soybean fell in Chicago following a positive blip on Tuesday on news of funding to European banks from world major central banks. Soybean exports and crushing in the US declined 22% in September and October compared with a year earlier as competition from South America saw buyers shift to purchasing stockpiles from Argentina and Brazil. According to a recent report by World Oil, exports and use in Argentina surged 15% and disposals in Brazil rose 21%. Soybeans futures have dropped 20% this year, partly on declining demand for raw materials used to make food amid economic crises in the EU and US.

## **WHEAT**

Wheat futures eased on Wednesday in Chicago amid renewed fears of the European financial crisis. According to Morgan Stanley, Russia's high protein wheat supply has begun to fade, owing to high volumes shipped to milling customers such as Egypt, while heavy rains in Australia may cause damage to the future supplies. This in turn may provide a market opportunity for North American wheat.

Harvest contract prices for November 30, 2011 at market close, are as follows:

SWW at \$226.89 per tonne (\$6.17/bu.), SRW at \$226.89 per tonne (\$6.17/bu.),

HRW at \$259.14 per tonne (\$7.05 /bu.), and HRS at \$321.93 per tonne (\$8.76 /bu.).