



Ontario Grain Market Commentary for December 21, 2011  
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Wednesday December 21, 2011

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	6.1650	↑	35.75	cents
Soybeans CBOT	Jan	11.5375	↑	53.75	cents
Wheat CBOT	Mar	6.1700	↑	36.25	cents
Wheat Minn.	Mar	8.4175	↑	26.00	cents
Wheat Kansas	Mar	6.7100	↑	35.50	cents
Canadian \$	Mar	0.9706	↑	110.00	points

The European Central Bank (ECB) provided 523 European banks with €489 billion in low interest loans on Wednesday borrowed under the central bank's newly activated three year lending program. The heavy demand for the loans pointed to the severity of the liquidity crisis and may elevated hopes of ending the two year turmoil. Canadian retail sales are up for the third straight month according to Statistics Canada, surpassing expectations with a 1% growth. Canadian home prices on the other hand fell down in October from the month before according to Teranet-National Bank's House Price Index (HPI). The HPI edged down for the second straight month after a nine month streak of gains. Amidst mixed data from Canada and the US, the TSX saw little changes on Wednesday except for a spike in shares of market heavyweight RIM following the Blackberry maker's rejection of a potential takeover. The stock rose by 10% early on Wednesday as investors rushed in on hopes of a merger and acquisition attempt by other giants like Amazon.com, Nokia and Microsoft. The loonie zig-zagged, rising initially on ECB's large handout which signaled the extent of the weakness in the European market, and declined following Canada's under estimated retail sales growth.

## **CORN**

Corn futures fell in Chicago following anticipation of rain in the next four days in parts of Brazil and Argentina where a significant portion of global corn supplies flows. The potential rain will aid crops after dry weather reduced soil moisture earlier in December. The so called La Nina weather, a phenomenon characterized by dry weather conditions as a result of lower surface temperature in the surrounding open waters may be near its peak and is expected to decrease in the coming months according the Australian Bureau of Meteorology.



## **SOYBEANS**

Soybeans fell in Chicago as rain in Argentina and Brazil during the next few days may ease the impact of dry weather there. The potential rain will aid soybean crops after dry weather reduced soil moisture earlier in December. According to the Australian Bureau of Meteorology the La Nina climate indicators are weaker than at the same time a year ago.

## **WHEAT**

Wheat weighed down in Chicago by snowfall in the US bringing adequate moisture for the winter crop that was planted in dry soil. European wheat futures captured earlier gains in afternoon trade on Wednesday after a fall of the euro against the dollar.

Harvest contract prices for December 21, 2011 at market close, are as follows:

SWW at \$226.01 per tonne (\$6.15/bu.), HRW at \$258.18 per tonne (\$7.03/bu.),  
HRS at \$303.52 per tonne (\$8.26 /bu.), and SRW at \$235.47 per tonne (\$6.41/bu.).