



Ontario Grain Market Commentary for January 18, 2012
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| Commodity | Period | Price | Weekly Movement - Wednesday to Friday | | |
|---------------|--------|---------|--|-------|--------|
| | | | | | |
| Corn CBOT | Mar | 5.9300 | ↓ | 58.25 | cents |
| Soybeans CBOT | Jan | 11.8275 | ↓ | 14.75 | cents |
| Wheat CBOT | Mar | 5.9250 | ↓ | 48.50 | cents |
| Wheat Minn. | Mar | 8.0075 | ↓ | 15.50 | cents |
| Wheat Kansas | Mar | 6.5300 | ↓ | 45.00 | cents |
| | | | | | |
| Canadian \$ | Mar | 0.9864 | ↑ | 72.0 | points |

The IMF is seeking to boost its piggy bank by \$600 billion to help member countries reeling from the eurozone debt crisis. The IMF said in a statement it will need \$500 billion to lend and another \$100 billion as a cushion. The IMF currently has a lending capacity of about \$380 billion. Emerging economies like China and Brazil are willing to finance the Washington based lending authority conditional on greater voting power to reflect their growing clout in the world economy. Meanwhile, the Bank of Canada released a recent report quantifying the spillover effect of the euro debt crisis. The report estimates that the euro crisis is holding back national economic growth by about 0.6% or about \$CAD 10 billion in GDP. The bank also predicts that European recession will last most of 2012, longer than it had predicted in its October report. How will these predictions impact lending rates remains unknown? Some forecasts suggest the economy will bounce back in the fall of 2013 and the current level of low interest rate won't remain for long. The IMF news saw the TSX higher on Wednesday morning on rising resource and financial sector stocks. The loonie followed suit with a rise over its American counter back.

CORN

Corn fell in Chicago on Wednesday to their lowest level in nearly a month as rainstorms provided relief to the crops in Argentina. The crop friendly rainfall and moderate temperatures are bringing life to the drought plagued Argentina. South American estimates were initially cut below the levels made by the USDA in its monthly supply and demand report last week. Weather forecasts suggest showers throughout the week and revised crop estimates in the near future. The fall in price is buffered by crop damage and a relatively weaker US dollar.



SOYBEANS

Soybean fell in Chicago following improved weather conditions in Argentina and Brazil. The much anticipated showers saw global supply concerns ease over soybean prospects. The fall in price is cushioned by crop damage and a relatively weaker US dollar. The Hamburg based oilseeds forecasting services; Oil World cut its forecasts for soybean crops in Argentina and Brazil by a combined 3.8 million tonnes. This in turn may open up an opportunity to raise demand North American soy.

WHEAT

Wheat fell in Chicago following improved weather in Argentina and Brazil. European wheat followed suit with the Paris benchmark also saw lower on Wednesday. The drop in wheat prices were buffered by a relatively weaker US dollar.

Harvest contract prices for January 18, 2012 at close, are as follows:

SWW at \$213.26 per tonne (\$5.80/bu.), HRW at \$244.92 per tonne (\$6.67/bu.),
HRS at \$283.39 per tonne (\$7.71 /bu.), and SRW at \$224.43 per tonne (\$6.11/bu.).