



Ontario Grain Market Commentary for February 15, 2012
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday February 15, 2012

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	6.2700	↓	8.50	cents
Soybeans CBOT	Jan	12.6100	↑	40.00	cents
Wheat CBOT	Mar	6.2600	↓	12.50	cents
Wheat Minn.	Mar	8.1100	↓	14.75	cents
Wheat Kansas	Mar	6.7000	↓	12.25	cents
Canadian \$	Mar	1.0007	↑	28.00	points

Don Drummond, celebrity economist, former bureaucrat and former TD bank chief economist will unveil his long awaited report on the reform of Ontario's public services later on Wednesday afternoon at Queen's Park. The report will span 362 recommendations, 100 of which deal with health care, which consumes 42% of government spending. The report will surely raise some eyebrows and possibly ruffle the feathers of the current government. Meanwhile, Iran announced new strides in its nuclear program and threatened to cut oil exports to six European countries in defiance to American and European pressure to rein in its atomic activities. This in turn saw crude prices through the roof on Wednesday with Brent crude rose to \$119.99 a barrel, while WTI light sweet crude soared as high as \$102.54 per barrel. The TSX was up on news from China continuing to buy EU debt but managed to settle with news of that Greek's bailout may be delayed. All these dynamics found the loonie up for the third consecutive day.

CORN

Corn rose in Chicago, with supporting news from China showing interest in buying Europe's debt. There's speculation of a big sale of US corn to China. China has been the biggest buyer of American exports in 2011. China bought \$20 billion, or 14%, of US agricultural exports, accounting for nearly one fifth of all US exports to China. China is likely to increase its imports of corn from North America to meet its growing domestic demand.

SOYBEANS

Soybean continues to enjoy high notes in Chicago. A Chinese trade delegation will arrive in Iowa later this afternoon and is expected to sign an agreement to buy soybeans. The speculation caught the eye of commodity traders earlier, who bid soybeans up 3% on Tuesday. The deal



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won't impact the total volume, but it makes for good headlines which will likely provide price support for North American soybeans.

WHEAT

Wheat is up in Chicago following a weak dollar which signaled volatility. Light precipitation in the form of rain and snow is expected in the US Southern Plains region over the next week. Saudi Arabia announced a tender to buy 330,000 tons of hard wheat for shipment in May and June. Meanwhile, Ukraine has no plans to curb exports of grain despite risks of crop loss due to adverse winter weather.

Contract prices for February 15, 2012 at close, are as follows:

SWW at \$226.92 per tonne (\$6.18 /bu.), HRW at \$258.13 per tonne (\$7.03 /bu.),
HRS at \$281.26 per tonne (\$7.65 /bu.), and SRW at \$234.26 per tonne (\$6.38 /bu.).