



Ontario Grain Market Commentary for April 11, 2012  
By Todd Austin, Grain Farmers of Ontario

**Wednesday April 11, 2012**

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	May	6.36	↓	24	cents
Soybeans CBOT	May	14.22	↓	9 ¼	cents
Wheat CBOT	May	6.28	↓	18 ¼	cents
Wheat Minn.	May	8.38 ¼	↓	12 ¼	cents
Wheat Kansas	May	6.44	↓	36 ¼	cents
Canadian \$	June	0.9944	↓	118	points

## **CORN**

As of August 31, 2013, the U.S. corn surplus will be larger than analysts expected, as more wheat is used to feed livestock. Unsold supplies at the end of the marketing year will total 801 million bushels, unchanged from the March forecast and down from 1.128 billion a year earlier, the U.S. Department of Agriculture reported this past Tuesday. This will be the lowest figure in 16 years but a bearable three-week supply.

As of April 8th, 2012, the 18 primary corn producing states have planted 7% of their corn, compared to 3% one year prior. 15 of the states have planted more than their 5-year historical average. This early planting is the result of the recent warm weather.

## **SOYBEANS**

Drought in major soybean producers Brazil and Argentina cut their crops more than expected, according to a recent USDA report. Their report cut its forecast of the crop in South America for the fourth month in a row. The Brazilian crop was lowered by 3.6 percent from March's estimate and Argentina's by 3 percent. Since December, the USDA has cut its projection of Brazil's crop by 12 percent, and Argentina's by 13 percent.

These latest cuts due to South American drought will lower global soybean production by 2 percent from the March outlook, and draw down stocks by 20 percent, to the smallest level since 2008/09, said USDA.



## **WHEAT**

Wheat prices continue to fall as an excess of supply expands global stockpiles to an all-time high. Inventories will gain 7.1 percent to 210 million metric tons this year. According to the International Grains Council, output in the next year is estimated to be 681 million tons.

Winter wheat conditions have outperformed 2011's conditions with 61% of the winter wheat crop in good or excellent condition, which is a 25% increase from last year. Winter wheat in very poor or poor condition is at 10%, a 26% decrease from one year prior.

Spring wheat has also been planted at an accelerated pace, compared to its historical average. As of April 8th, 2012, the 6 primary spring wheat producing states have planted 21% of their crop, compared to their 5-year average of only 5%.

Contract prices for April 11<sup>th</sup>, 2012 at the market close, are as follows:

SWW at \$228.35 per tonne (\$6.21/bu.), HRW at \$256.06 per tonne (\$6.97 /bu.),  
HRS at \$293.10 per tonne (\$7.98 /bu.), and SRW at \$232.04 per tonne (\$6.32 /bu.).