



Ontario Grain Market Commentary for April 18, 2012
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday April 18, 2012

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	May	6.0175	↓	56.50	cents
Soybeans CBOT	May	14.0750	↓	9.25	cents
Wheat CBOT	May	6.1075	↓	47.25	cents
Wheat Minn.	July	8.0300	↓	42.50	cents
Wheat Kansas	May	6.2600	↓	64.00	cents
Canadian \$	June	1.0076	↓	2.00	points

The IMF cautioned Wednesday that EU banks are under pressure to cut capital sharply on lending over the next two years slowing economic growth. The anticipated credit crunch is expected to cause the EU to suffer a mild dip this year and barely grow in 2013 according to the IMF. The Canadian economy has felt the pressure of rising global oil prices. Canada is typically a net exporter of oil; however Canadian crude prices haven't kept up with the global trend due to saturation in the US market. This in turn drove down the price of Canadian crude according to the Bank of Canada while simultaneously raising the cost of production for Canadian firms as more crude imports flow to the economy putting upward pressure on pump gas prices. About half of the gasoline imported to Canada is priced off Brent crude, which is considered to be the global benchmark. The TSX was slightly lower as commodity prices retraced some of the strong gains from the previous session.

CORN

Corn fell in Chicago following record planting in the upper Midwest. With no crop insurance restrictions to hold them back, farmers in Illinois helped set a record for corn planting last week. Some farmers are finding it difficult to locate enough seed. Farmers are planting what is expected to be one of the biggest corn crops in decades according to the USDA. The crop is estimated at nearly 96 million acres, up 4% from last year and the highest level since 1937.

SOYBEANS

Soybean fell in Chicago after some gain on Tuesday. Iran's state feed agency is tendering to buy corn and soybean meal needed to feed the country's large livestock. Private financing is tightening due to Western sanction and importers are struggling with trade. A purchase tender of 150,000 tons of corn and 100,000 tons of soybean meal grain will be shipment within the



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next few weeks. The University of Arkansas developed a new edamame variety of soybean. This may prove to be lucrative as it is intended for export to the Asian market.

WHEAT

Wheat fell in Chicago for the fourth straight session on pressure from a firm US dollar and plentiful global supplies. This prompted a wave of short selling that caused the market to pare its losses. Iran's state grains buyer bought 55,000 tonnes of Australian feed wheat to compensate for private sector lending sanctions. According to the USDA, winter wheat was rated 64% good to excellent as of April 15, up from 61% a week earlier and 36% a year ago. Spring wheat planting was 37% complete a record this time of the year.

Contract prices for April 18th, 2012 at the market close, are as follows:

SWW at \$219.08 per tonne (\$5.96/bu.), HRW at \$246.43 per tonne (\$6.71 /bu.),
HRS at \$278.25 per tonne (\$7.57 /bu.), and SRW at \$219.08 per tonne (\$5.96 /bu.).