



Ontario Grain Market Commentary for June 6, 2012
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday June 6, 2012

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	July	5.8825	↑	12.75	cents
Soybeans CBOT	July	13.8625	↑	39.25	cents
Wheat CBOT	July	6.2025	↓	19.25	cents
Wheat Minn.	July	7.4400	↓	8.50	cents
Wheat Kansas	July	6.4775	↓	18.25	cents
Canadian \$	June	0.9715	↑	98.00	points

The euro rallied sharply against the dollar on Wednesday after the European Central Bank (ECB) left interest rates fixed at 1% and their economic outlook unchanged. Germany and EU officials are considering ways to save Spain from its debt dilemma as it continues to lose access to credit markets due to the high borrowing costs. The EU is considering a possible bailout pending results from audits and the upcoming IMF report. Meanwhile, the Bank of Canada (BOC) updated its economic position suggesting the global economy has weakened in recent times. The BOC indicated that US economy continues to expand at a modest pace but emerging markets have slowed down at a rate faster than expected and Europe remains a major red flag. Canada's Q1 growth rate was lower than expected at 1.9% but with a relatively strong housing sector, positive business and consumer confidence and low interest rates.

CORN

Corn rose in Chicago for the second time this week on ongoing concern in the US that harvest may be smaller than expected according to the USDA because of recent dry weather conditions in the Midwest. Approximately a quarter of the US Corn Belt will continue experiencing dryness in the upcoming weeks as scattered rains may miss some growing areas, according to the Weather Group. Soil moisture in Illinois was 63% short as of May 27, according to the the National Drought Mitigation Center.

SOYBEANS

Soybean rose in Chicago on Wednesday, the biggest daily rise in two months on weaker US dollar and news of sales of 120,000 tonnes to China. The cash market was firm as well on news of old crop sales to China and intentions of major central banks to bolster a slowing global economy. Meanwhile, Argentine farmers halted grain sales on Wednesday, on the basis of a



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strike against government farming policies. This in turn may steer more export business towards North America as well as drive prices higher on dwindling supplies in Brazil.

WHEAT

Wheat rose in Chicago on Wednesday following a rally in other grains as the dollar weakened and investors' appetite shifted towards adding riskier assets to their portfolios fueled by hopes of a solution to the euro zone debt crisis. Rainy weather in US Plains could delay harvest of hard red winter wheat. Heavy rains in Russia in the past two weeks have halted damage to crops from late spring drought. Analysts are expecting the upcoming USDA report to show a significant increase wheat export sales in the range of 400,000 to 500,000 tonnes compared to 319,300 a week earlier.

Contract prices for June 6th 2012 at close, are as follows:

SWW at \$240.25 per tonne (\$6.54/bu.), HRW at \$261.05 per tonne (\$7.10 /bu.),
HRS at \$263.80 per tonne (\$7.18 /bu.), and SRW at \$230.80 per tonne (\$6.28 /bu.).