



Ontario Grain Market Commentary for June 13, 2012
By Ahmed Chilmeran, Grain Farmers of Ontario

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Commodity	Period	Price	Weekly Movement		
			- Wednesday to Friday		
Corn CBOT	July	5.9250	↓	6.50	cents
Soybeans CBOT	July	14.0825	↓	18.75	cents
Wheat CBOT	July	6.1550	↓	17.75	cents
Wheat Minn.	Sep	7.4500	↑	19.00	cents
Wheat Kansas	July	6.4075	↓	19.00	cents
Canadian \$	Sep	0.9717	↑	49.00	points

Spain became the fourth EU country to receive a bailout. EU finance ministers offered Spain a lifeline of up to 100 billion euros to stabilize its banks. Spain did not indicate how much of that offer it will consider. If it accepts the full amount it will remain below Greece's bailout but will it lead against Portugal and Ireland. Scotia Economics recent report underlines the weakness facing the global housing market including Canada's. The weakness can directly affect the banking sector, which helped finance much of the pre-recession housing boom experienced worldwide. The OECD in a report on Wednesday warned Canada of early signs of catching a case of the Dutch Disease – a rapid growth in natural resource revenues and a decline in the remaining sectors of the economy. The spike in commodity prices is a catalyst to resulting in uneven economy and misdistribution of wealth and employment in Canada. Oil experienced a mere 1% fluctuation after US Energy Information Administration (EIA) indicated that fuel inventories fell below forecasts as OPEC leaders gather to discuss the group's production ceiling at a meeting this week. The TSX rallied on Wednesday, led by financial and mining revenues and optimism ahead of this weekend's Greek elections. The loonie was little changed relative to its US counterpart.

CORN

Corn fell in Chicago while spot prices were firm on a bull spreading after dipping on two consecutive sessions. Forecasts for increased rain in the Midwest eased concerns over the heat stressed crop as it heads into its critical pollination stage. July old crop rose as investors bought the old crop and sold the December new crop, but pressure remains from the recent USDA report that pegged ending stock unchanged relative to investors forecast of a decline. The concerns over the euro zone debt crisis also weighed on prices and the outcome of the upcoming Greek elections may influence prices.



SOYBEANS

Soybean fell in Chicago after posting moderate gains earlier the week due to global economic concerns. Prices are under pressure from slower than anticipated economic recovery in China, the world's largest soybean importer. The soybean market remains bullish even after the USDA trimmed both old and new crop ending stocks thanks to strength in the export market. Tighter supplies and firm demand should limit losses in the trading sessions.

WHEAT

Wheat was flat in Chicago after lower trading days earlier from a cut in Australia's wheat harvest forecast. Australia is expected to be the world's second largest exporter, and a reduced crop there could shift business to North America. USDA's winter wheat production forecast released earlier highlighted the markets abundant supply of new crop in the US. The USDA estimated winter wheat at 1.684 billion bushels, with Kansas expecting to harvest 387 million bushels, a mere 40% increase from last year. European milling wheat futures followed suit giving up earlier gains with a rising euro.

Contract prices for June 13th 2012 at 4pm, are as follows:

SWW at \$240.30 per tonne (\$6.54/bu.), HRW at \$255.43 per tonne (\$6.95 /bu.),
HRS at \$262.80 per tonne (\$7.15 /bu.), and SRW at \$225.18 per tonne (\$6.13 /bu.).