



Ontario Grain Market Commentary for June 20, 2012
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Wednesday June 20, 2012

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	July	6.1175	↑	25.00	cents
Soybeans CBOT	July	14.4650	↑	60.00	cents
Wheat CBOT	July	6.6600	↑	47.00	cents
Wheat Minn.	Sep	8.4425	↑	96.00	cents
Wheat Kansas	July	6.8100	↑	40.25	cents
Canadian \$	Sep	0.9786	↑	15.00	points

Wednesday saw the Federal Reserve extend its Operation Twist – swapping of mere \$267 billion in US short-term Treasury securities with longer-term ones by the end of 2012 with the intention of keeping interest rates lower for longer. The extension of Operation Twist is a response to signs of a weakening economy. This may be the beginning of trend that supports further extending program cuts set to expire next year which include payroll and defense spending among others. Antonis Samaras from the conservative party was sworn as prime minister of Greece, ending a protracted political crisis that had cast a shadow of doubt over the countries position in the EU. All these dynamics came during a time where oil could sink below US \$80 a barrel as crude stockpiles are their highest level in almost 22 years as indicated by the US Energy Information Administration (EIA).

CORN

Corn fell in Chicago as traders booked profits after a rally in the previous two sessions. Ethanol producers are showing signs of softening demand and some forecasts for improved weather added pressure. Earlier trading sessions of the week were influenced by looming dry condition around the Corn Belt which had investors worried about yield prospects underpinning the markets.

SOYBEANS

Soybean rose in Chicago for the third trading session supported by export demand for North American supplies and worries about dry weather in the US Midwest threatening production prospects. Traders also noted shipping delays in Brazil, the world's largest soybean exporter,



where rain is slowing loading and extending transportation lineups at the country's largest agricultural ports of Santos and Paranagua.

WHEAT

Wheat rose in Chicago on short-covering and concerns over the USDA cutting forecast of 2012-13 world production in the upcoming July 11th report. The biggest gains came in Minneapolis, exchange with spring wheat surging to a two month high, rising by almost 5% on short-covering and tight cash markets as the July contract near delivery period. Volume was also thin and added to volatility. The general consensus is that there will be a significant decline due to lower Russian production and EU production over weather conditions.

Contract prices for June 20th 2012 at 4pm, are as follows:

SWW at \$254.95 per tonne (\$6.94/bu.), HRW at \$269.95 per tonne (\$7.35 /bu.),
HRS at \$275.11 per tonne (\$7.49 /bu.), and SRW at \$254.95 per tonne (\$6.94 /bu.).