



Ontario Grain Market Commentary for July 11, 2012
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Wednesday July 11, 2012

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Sep	6.9575	↑	2.00	cents
Soybeans CBOT	Aug	15.5925	↓	12.25	cents
Wheat CBOT	Sep	8.1375	↓	2.25	cents
Wheat Minn.	Sep	9.0800	↓	13.00	cents
Wheat Kansas	Sep	8.3100	↑	8.00	cents
Canadian \$	Sep	0.9773	↓	17.00	points

The loonie spiked ahead of the release of the minutes from the latest Federal Reserve meeting, as traders speculated about the likelihood the Federal Reserve is considering another round of economic stimulus. The US Central Bank seems to be following suit after other international central banks have moved recently with a follow up round of stimulus to keep the global economy afloat. The European Central Bank and the People's Bank of China cut lending rates last week, shifting gears to manage lower growth and a weaker job market. Meanwhile, Spain unveiled new austerity measures outlining 65 billion euros in budget cuts to manage the public deficit by 2014. The Spanish prime minister indicated that sales tax increases, cuts in unemployment benefits and public service salaries are some of the unpleasant but necessary measures implemented.

CORN

Corn fell in Chicago following the USDA report. The USDA projected US corn yield to be 20 bu/acre lower to 146 bu/acre reflecting the rapid decline in crop conditions since early June and the latest weather data. Persistent dryness across the Corn Belt and the heat from the central Plains has substantially lowered yield prospects across most of the region. Reduced supplies and higher prices are expected to sharply lower 2012-13 corn usage with the biggest reduction in the feed sector. Global 2012-13 trade is projected lower mostly reflecting lower corn exports from the US.



SOYBEANS

Soybean fell in Chicago following the USDA report. The USDA estimated soybean production to be 3.050 billion bushels, down 155 million as increased harvested area is more than offset by reduced yields. Global supplies are 5.1 million tons lower to 465.7 million tons. Global soybean production is projected at 267.2 million tons, down 3.9 million mostly due to lower production in the US.

WHEAT

Wheat fell in Chicago following the USDA report. The USDA projected US wheat supplies for 2012-13 to be 5 million bushels higher with estimated beginning stocks offsetting lower forecast production. Global wheat supplies for 2012-13 are reduced 5.1 million tons with lower world production. World production is lowered 6.7 million tons with Russia and China accounting for most of the reduction. Russia's production is expected to have lower yields for winter wheat and lower area and yield prospects for spring wheat. Canada's production is also lowered slightly based on lower reported plantings according to Statistics Canada's latest survey.

Contract prices for July 11th 2012 at 3pm, are as follows:

SWW at \$306.46 per tonne (\$8.34/bu.), HRW at \$319.60 per tonne (\$8.70 /bu.),
HRS at \$315.37 per tonne (\$8.58/bu.), and SRW at \$289.56 per tonne (\$7.88/bu.).