



Ontario Grain Market Commentary for August 1, 2012
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Wednesday August 2012

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Sep	8.0050	↑	6.25	cents
Soybeans CBOT	Aug	16.8225	↓	5.75	cents
Wheat CBOT	Sep	8.7950	↓	29.50	cents
Wheat Minn.	Sep	9.3675	↓	49.25	cents
Wheat Kansas	Sep	8.8400	↓	24.00	cents
Canadian \$	Sep	0.9949	↑	18.00	points

The CWB signed a grain handling deal with Winnipeg based International Richardson to accept deliveries from farmers with wheat board contracts at all its locations in Western Canada. Federal legislation in the case of the CWB is now effective, taking away the board's monopoly reign over western wheat and barley sales. Western farmers are now able to sell their grain to any party at any time. Meanwhile in Ontario, provincial Liberals have reached out to the federal government for financial assistance amid a strong grip of a drought that encompasses Ontario. Ontario Agriculture Minister Ted McMeekin asked Ottawa to accelerate tax relief for livestock producers in the regions which are the driest. Agriculture and Agri-Food Canada have also been approached to help with reviewing support options for those producing livestock. Canada's economy has shifted into lower gears, with continuing rise in household debt and weaker job market. The TSX was lower on Wednesday as mining shares slipped on weak global manufacturing data. Investors are awaiting policy statements later this week from the Federal Reserve and EU on the current state of the economy.

CORN

Corn fell in Chicago while cash basis bids were mostly unchanged at processors and elevators around the US Midwest, as farmers were reluctant to sell the commodity according to various dealers. A softening export market is keeping the crop bids at bay. A chance of rain was expected late this week in some regions of the drought-stricken US Midwest, with hopes of relief to corn among other crops according to agricultural meteorologists.



SOYBEANS

Soybean fell in Chicago as chances of rain improve in the US Midwest. Spot bids for August dipped nearly 4% as traders exited their positions before the contract's expiry on Aug. 14. Volume however was relatively thin at about 8,000 contracts. Meteorologists expect increased chances for rain through the weekend in the US Midwest.

WHEAT

Wheat fell in Chicago as chances of rain improve in the US Midwest. The price rally in wheat and other commodities experienced three weeks ago is finding the breaks, as more wheat surplus is turning out from Russia and other eastern European producing countries. Meanwhile, prairie farmers are marking the first day where they can sell their wheat to anyone at any time, as the federal legislation is in full effect today.

Contract prices for August 1st, 2012 at 3:30pm, are as follows:

SWW at \$315.20 per tonne (\$8.58/bu.), HRW at \$324.42 per tonne (\$8.83 /bu.),
HRS at \$323.87 per tonne (\$8.81/bu.), and SRW at \$302.29 per tonne (\$8.23/bu.).