



Ontario Grain Market Commentary for August 8, 2012
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Wednesday August 8, 2012

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Sep	8.1000	↓	1.00	cents
Soybeans CBOT	Aug	16.3000	↓	28.00	cents
Wheat CBOT	Sep	8.9925	↑	5.50	cents
Wheat Minn.	Sep	9.6400	↑	15.75	cents
Wheat Kansas	Sep	9.0500	↑	9.25	cents
Canadian \$	Sep	1.0043	↑	39.00	points

Scotiabank in a recent report expects Canadian house prices to drop down by as much as 10% in the coming two or three years, especially in regions of Toronto and Vancouver. The TSX was flat for most of the day, with upstream pressure from a dividend boost from BCE Inc. and downstream pressure from cautious anticipation of upcoming Chinese economic data. Germany, the EU powerhouse is showing a significant contraction in exports and industrial production. The EU experiencing another recession is becoming more likely as the grim economic outlook continues to spread throughout the 17 plagued countries.

CORN

Corn rose in Chicago ahead of the upcoming USDA report on Friday. The crop report is expected to have the lowest corn yield in over a decade supporting prices in the near future. The draught stricken shrinking corn yields have brought the topic of biofuels vs. food back under the microscope since a spike in grains four years ago fueled riots in developing countries. Ethanol in the US is the world's main biofuel, at more than twice the production of Brazilian sugar ethanol.

SOYBEANS

Soybean rose in Chicago ahead of the upcoming USDA report on Friday. Prices are finding support from expectations that the report will have significantly lower yields maintaining high demand for the crop in the near future. Rain and cooler weather will provide relief for late season soybeans, but the improved weather is coming a bit too late to help remedy the damaged crop.



WHEAT

Wheat rose in Chicago tracking corn and soybeans after losses in earlier sessions. The recovery came after Russia indicated that it may ban wheat exports due to drought conditions. The ban is aimed at insuring adequate supply for internal consumption. The news helped ease concerns about a further shrinking of global wheat supplies.

Contract prices for August 8th, 2012 at 3:30pm, are as follows:

SWW at \$319.46 per tonne (\$8.69/bu.), HRW at \$328.60 per tonne (\$8.94 /bu.),
HRS at \$323.76 per tonne (\$8.81/bu.), and SRW at \$306.67 per tonne (\$8.35/bu.).