



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

**Wednesday September 13, 2012**

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Dec	7.7375	↓	25.75	cents
Soybeans CBOT	Nov	17.4725	↑	5.25	cents
Wheat CBOT	Dec	9.0175	↓	3.25	cents
Wheat Minn.	Dec	9.6225	↑	5.25	cents
Wheat Kansas	Dec	9.2000	↑	1.00	cents
Canadian \$	Sep	1.0319	↑	94.00	points

Following the recent ECB statement to buy out government bonds to keep borrowing costs down for vulnerable EU countries like Spain and Italy, the US Federal Reserve made a bold move on Thursday to stimulate the national economy with \$40 billion/month shopping spree to buy out the toxic mortgage-backed securities for as long as necessary. Moreover, the plan also meant short-term interest rates be kept at record lows through mid of 2015. The shock rippled into commodity and financial markets, leaving oil crude higher overall. The TSX among other stock markets rose as well. More importantly, this left the US dollar down relative to the Loonie, which is now riding a 13 month high. The OECD in a recent report indicated that Canada among other developed nations is lagging behind in the area of R&D, at a time when much investment is needed to continue growing and create jobs.

### **Corn**

Corn was slightly higher in Chicago despite the USDA in its report yesterday indicating higher than anticipated monthly supplies due to higher beginning stocks. US production is lowered 52 million bushels with the national average yield down to 122.8 bu/acre. US export sales were higher however, sales remain below the levels experienced a year ago.

### **Soybeans**

Soybeans rose in Chicago after the USDA report indicated lower supplies of the crop due to lower beginning stocks. Net soybean export sales were lower than expected due to higher prices as many importers, including top buyer China are waiting on prices to drop. Global oilseed production for 2012/13 is projected at 453.1 million tons, down 4.2 million from last month due to lower production in Canada and Ukraine.

### **WHEAT**

Wheat is up in Chicago after the USDA indicated in its report that global supplies are tight, impacting wheat trade by as much as 11%. According to the USDA, the drought experienced in the North American, Russia and other part of the world will impact harvests of wheat among other crops but not to the sever extent many have portrayed. Egypt, through its state run



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buying commission is the world's largest wheat importer. The commission will mark its seventh tender in approximately a month to secure wheat for the country.

Contract prices for September 13<sup>th</sup>, 2012 at 3:30pm, are as follows:

SWW at \$300.47 per tonne (\$8.18 /bu), HRW at \$307.53 per tonne (\$8.34 /bu.),  
HRS at \$309.46 per tonne (\$8.42/bu.), and SRW at \$288.49 per tonne (\$7.84/bu.).