



Ontario Grain Market Commentary for October 11, 2012
By Ahmed Chilmeran, Grain Farmers of Ontario

Thursday October 11, 2012

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Dec	7.7275	↑	25.00	cents
Soybeans CBOT	Nov	15.4850	↓	13.25	cents
Wheat CBOT	Dec	8.8600	↑	24.25	cents
Wheat Minn.	Dec	9.4675	↑	25.75	cents
Wheat Kansas	Dec	9.1800	↑	76.00	cents
Canadian \$	Dec	1.0202	↓	22.00	points

The TSX was up on encouraging US employment data and found support from IMF comments towards the EU. The resource heavy TSX saw shares up as commodity prices rose. The Spanish government has deflected the idea of tapping into the new European Central Bank bond-buying facility that has been largely designed to keep the country's borrowing rates at bay. Canada's global trade deficit was slashed to \$1.3 billion in August from \$2.5 billion in July, mostly due to lower imports. This may support the notion, that the national economy is hitting the breaks catching up with the pace of the global economy. The loonie advanced Thursday amid rising commodity prices while traders appeared to take in cautiously the news about Spain's debt.

Corn

Corn futures were up in Chicago following the USDA report. The USDA slightly lowered its estimates of corn crop for the fourth consecutive month, reflecting the impact of recent weather trends. The USDA estimates that farmers will harvest 10.71 billion bushels of corn this year, which would be the smallest amount since 2006. Last month's estimate was 10.73 billion bushels. Average yield is 122 bu/acres, down from last month's estimate of 122.8 bushels. That is the lowest average yield since 1995 and is significantly below last year's yield of nearly 153 bushels per acre.

Soybeans

Soybean was up in Chicago following the USDA report. Production was increased to 2.86 billion bushels with better than expected yields. Soybeans tend to withstand draught better than corn and recent rains seem to have helped, with yields estimated at 37.8 bu/acre. The yield projections were up from the previous month's estimate of 35.3 bushels.



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WHEAT

Wheat rallied up in Chicago following a bullish USDA report. The USDA lowered its forecast for global stockpiles and indicated that feed wheat usage would increase on domestic cattle consumption. Global production was pegged at 653.05 million tons, down 0.9% from last month. About 315 million bushels would be allocated for cattle feed, up from last month's prediction of 220 million according to the USDA.

Contract prices for October 11th 2012 at 4pm, are as follows:

SWW at \$297.55 per tonne (\$8.10 /bu), HRW at \$304.76 per tonne (\$8.29/bu.),
HRS at \$306.83 per tonne (\$8.35/bu.), and SRW at \$284.95 per tonne (\$7.76 /bu.).