



Ontario Grain Market Commentary for December 12, 2012
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday December 12, 2012

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Mar	7.2550	↓	26.75	cents
Soybeans CBOT	Jan	14.7300	↓	18.25	cents
Wheat CBOT	Mar	8.1200	↓	50.00	cents
Wheat Minn.	Mar	9.0400	↓	31.25	cents
Wheat Kansas	Mar	8.6525	↓	46.75	cents
Canadian \$	Dec	1.0130	↑	46.00	points

Ben Bernanke indicated in a statement that the Federal Reserve will continue with Operation Twist – the on-going rounds of quantitative easing by the central bank in which a simultaneous buying of long-term bonds and selling of short term ones takes place to keep long term interest rates low. This time however, the T-bill transactions will be in the range of \$40 billion to \$45 billion per month; meanwhile congress is still debating over the measures needed to avoid the fiscal-cliff ahead. This saw oil price rise and the loonie leap over the greenback. The TSX was also higher finding support from the federal news and a rise in metals. New rail freight service regulations announced in Canada affecting CN and CP rail. The Fair Rail Freight Service Act bill will give shippers more leverage over the rail carriers through arbitration and penalties over service disruptions and disagreements. The intervention by the federal government is on the grounds of improving the efficiency of the transport system.

Corn

Corn futures extended their moderate losses from Tuesday following the USDA world supply and demand report. The USDA report essentially had no major revisions to corn numbers. World production increased 9.4 million tonnes of which 8 million metric tonnes of that is by China. Ending stocks fell by 380,000 tonnes, and Canadian output increased 1.5 million tonnes.

Soybeans

Soybean was trading mostly lower over near ideal weather conditions in South America. The USDA's recent world supply and demand report saw some revisions to the US numbers with a slight increase in US demand by 10 million bushels, putting crush at 1.570 billion bushels. Soy oil exports however was significantly higher with 1.8 billion pounds, up sharply from 1.2 billion over last month.

WHEAT

Wheat was lower after feeling the bearish influence of the USDA's world supply and demand report. The notions that winter crop is vulnerable to a winter kill is still looming giving further



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support to the bearish market. The USDA global wheat supplies for 2012/13 are estimated at 1.6 million tonnes higher

Contract prices for December 12th 2012 at 3:30pm, are as follows:

SWW at \$272.70 per tonne (\$7.40 /bu), HRW at \$275.62 per tonne (\$7.50/bu.),
HRS at \$292.62 per tonne (\$7.96/bu.), and SRW at \$266.58 per tonne (\$7.26/bu.).