



Ontario Grain Market Commentary for January 2, 2013
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday January 2, 2013

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	6.9000	↓	11.00	cents
Soybeans CBOT	Jan	14.0500	↓	23.00	cents
Wheat CBOT	Mar	7.5525	↓	39.00	cents
Wheat Minn.	Mar	8.4150	↓	24.50	cents
Wheat Kansas	Mar	8.1100	↓	32.75	cents
Canadian \$	Dec	1.0126	↑	93.00	points

The US Congress inked a deal at the last minute to avoid the fiscal cliff and this pointed markets upwards with financial and material stocks higher. The TSX gained 1% to reach a nine month high on Wednesday, and the loonie advanced by nearly a cent over the greenback. The Canadian Tax Federation reported that higher payroll taxes and pricier passports are in the forecast for 2013, the federal government is also increasing Employment Insurance rates for both employees and their bosses which will further eat away at Canadians' paycheques.

Corn

Corn was up in Chicago following Congress' move to avoid the fiscal cliff by hiking tax rates on the wealthy and postponing government spending cuts for another two months. The boost reassured investors and financial markets. Later this year, a commercial scale sugarcane ethanol plant will open in northeastern Brazil. The plant will be unique in its operation, as it will be using the leftovers of the sugar cane used in other plants in the region to produce cellulosic ethanol.

Soybeans

Soybean was up in Chicago after Congress inked a deal to avoid the fiscal cliff by hiking tax rates on the wealthy and postponing government spending cuts for another two months. Looking back on the previous two years, soybean like other commodities enjoyed higher prices, slowing demand for feed usage, biofuels production and for exports; this in turn will put pressure on trade in 2013.

WHEAT

Wheat rallied up in Chicago following news on measures taken by Congress to avoid the fiscal cliff. However, demand hasn't increased enough to support exports from the US, the world's biggest shipper, according to RJO Brokerage in Chicago. Last year, wheat enjoyed a 19% increase on the S&P GSCI Spot Index, as drought cut output in the US and Russia.



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Contract prices for January 2, 2013 3:30pm, are as follows:

SWW at \$252.29 per tonne (\$6.87/bu), HRW at \$255.92 per tonne (\$6.97/bu.),
HRS at \$270.89 per tonne (\$7.37/bu.), and SRW at \$246.85 per tonne (\$6.72/bu.).