



Ontario Grain Market Commentary for January 23, 2013
By Ahmed Chilmeran, Grain Farmers of Ontario

Friday January 23, 2013

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	7.2075	↓	3.25	cents
Soybeans CBOT	Mar	14.3700	↑	15.00	cents
Wheat CBOT	Mar	7.7475	↓	7.25	cents
Wheat Minn.	Mar	8.6050	↓	9.75	cents
Wheat Kansas	Mar	8.3025	↓	2.00	cents
Canadian \$	Dec	0.9995	↓	56.00	points

Governor Mark Carney, in an announcement for the Bank of Canada, indicated that the bank intends to hold the interest rate at 1% for 2013 due to slower than anticipated economic growth in the second half of 2012 and a slower than anticipated recovery in 2013. However, the central bank will continue to target a 2% inflation rate policy. In the same light, the IMF is predicting that Canada's economy will grow modestly in 2013 by 1.8% and 2.3% in 2014, below the Bank of Canada's expectations of 2% and 2.7% respectively. The organization also indicated that it has downgraded global economic growth to 3.5% from October's 3.6%. The US House of Representatives is set to vote on increasing the US borrowing ceiling for three months. This in turn saw commodity-heavy stock exchanges, like the TSX, dip as gold and mineral stocks fell to the calming US federal news.

Corn

The USDA released the Livestock, Dairy, Poultry Outlook for January. The USDA report indicated increasing livestock and poultry inventories, which are reflecting weather driven price increases earlier last year as its beginning to put downward pressure on consumer demand. US farmers on the other hand are getting the lion's share crop insurance payments according to the USDA, with experts estimating the payout to be nearly \$20 billion, double that of previous year.

Soybeans

Soybean trade was flatter following the USDA's Livestock, Dairy and Poultry Outlook report. The USDA report indicated increasing livestock and poultry inventories. This indicates that weather driven price increases earlier last year are beginning to effect consumer demand. However, demand should stay positive in the near term with oncoming Chinese intentions to replenish soybean supplies. Weather in South America will continue to play an important factor in determining price movement in the near term.



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WHEAT

Wheat was up in Chicago on renewed fears over the US drought impacting prospects for crops in the southern Great Plains. Australia is feeling its worst heat wave since last years weather scorched the grain belt. This can potentially hurt prospects in the world's second biggest exporter amid a US drought.

Contract prices for January 23, 2013 at 4pm, are as follows:

SWW at \$264.60 per tonne (\$7.20/bu), HRW at \$271.95 per tonne (\$7.40/bu.),
HRS at \$283.25 per tonne (\$7.71/bu.), and SRW at \$259.08 per tonne (\$7.05/bu.).