



Ontario Grain Market Commentary for February 7, 2013
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Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	7.1000	↓	33.00	cents
Soybeans CBOT	Mar	14.8700	↑	5.00	cents
Wheat CBOT	Mar	7.5600	↓	31.50	cents
Wheat Minn.	Mar	8.3925	↓	32.00	cents
Wheat Kansas	Mar	8.0100	↓	36.75	cents
Canadian \$	Dec	1.0011	↑	13.00	points

European Union leaders are gathering in Brussels for a two day summit to decide on a seven-year budget worth an estimated €1 trillion. This summit follows a failed attempt to ink a deal in November. Another failure to agree on an EU budget would mean another bump in the road in medium-term planning and could possibly instill pessimism in financial markets. Recent tightening of Canadian mortgage rules appears to have a cushioning effect on the housing market, especially on the condominium side, according to a report by Statistics Canada. Nova Scotia's Premier Darrell Dexter announced \$10 million in funding for BlackBerry in exchange for a guarantee that the technology company will hire 400 people. \$2 million a year has been budgeted over the next five years.

Corn

Corn futures fell in Chicago with the USDA expecting larger supplies later this year than previously forecast. According the CME, nationwide surveys in the US for corn inventories at the close of the 2012-13 marketing year are expected to total 618 million bushels, up 2.7% from the USDA's January report. According to the Chicago Mercantile, US ethanol production edged higher in the last week, rebounding from its lowest level since the government started collecting data more than two years ago; however, poor demand continued to weigh on the market.

Soybeans

Soybeans were higher in Chicago following news of dry weather conditions in Argentina. The US dollar is trading higher which is giving markets a negative outlook. Higher export sales of 896,200 tonnes for the current marketing year and 771,000 tonnes are further adding support to market prices.



The Brazilian government is indicating that soybean production will increase due to a record increase in planting area with 68.2 million acres planted compared to 61.8 million last year.

WHEAT

Wheat was trading lower in Kansas and Chicago due to the pressures of a stronger US dollar and on investors liquidating positions ahead of the USDA report on Friday. Wheat will likely continue tracking corn in the near future, and a record crop of corn could negatively impact prices.

US wheat export sales were low with 290,800 tonnes reported for the current marketing year, down from 292,600 the week prior. Tunisia's state grains office purchased 92,000 metric tons of soft milling wheat from Casillo Commodities, according to traders.

Contract prices for February 7, 2013 at 4pm, are as follows:

SWW at \$257.29 per tonne (\$7.00/bu), HRW at \$264.63 per tonne (\$7.20/bu.),
HRS at \$275.00 per tonne (\$7.48/bu.), and SRW at \$251.79 per tonne (\$6.85/bu.).