



Ontario Grain Market Commentary for February 13, 2013
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday February 13, 2013

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	6.9550	↓	22.25	cents
Soybeans CBOT	Mar	14.2200	↓	64.00	cents
Wheat CBOT	Mar	7.3550	↓	29.75	cents
Wheat Minn.	Mar	8.2300	↓	24.50	cents
Wheat Kansas	Mar	7.8025	↓	30.25	cents
Canadian \$	Dec	0.9972	↑	2.00	points

Bank of Canada governor Mark Carney issued a warning to currency manipulators trying to take advantage of a lower dollar to boost exports. The governor urged nations ahead of the G20 summit to set monetary policy with domestic conditions in mind and not in an effort to devalue and gain a short lived competitive advantage in exports. Trade negotiations between Canada and the European Union (EU) are making headway; but the pressure to sign a treaty is building as the US joins the negotiation table with Europe for one of the largest and most significant free trade agreements. Canada and the EU have been negotiating terms for nearly three years and some issues are still lagging, like access of Canadian beef and cars to Europe, as well as how much duty-free cheese the Europeans will be able to sell here.

Corn

Corn futures are down on technical selling and slightly better weather conditions in Argentina. US corn exports are still relatively weak with Brazil's harvest ahead. The drought seems to be taking its toll on ethanol producers, with corn becoming scarcer. According to the Renewable Fuels Association, 20 of the 211 ethanol plants in the US have closed over the past year.

Soybeans

Soybean futures are trading lower after a rally last week due to improving weather conditions in Argentina and some parts of Brazil. The possibility of trucking and port strikes in South America still looms and that could give prices some support. The recently released USDA Oil Crops Outlook shows signs of improvement for livestock feed profitability as feed costs have declined. This, in turn, may lead to increased feed consumption and a return to higher prices as imports from Asia and the EU have seen a decline over the past year.



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WHEAT

Wheat trade continues to be bearish, however, wheat prices may be close to bottoming out and the ongoing draught may end up helping price rise. Trading of hard red winter wheat will undergo a significant change this summer in the US. The CME recently acquired the Kansas City Board of Trade, and as a result, futures and options will trade on the CME floor in Chicago this summer.

Contract prices for February 13, 2013 at close, are as follows:

SWW at \$250.69 per tonne (\$6.82 /bu), HRW at \$258.06 per tonne (\$7.02/bu.),
HRS at \$270.03 per tonne (\$7.35/bu), and SRW at \$245.16 per tonne (\$6.67/bu.).