



Ontario Grain Market Commentary for March 20, 2013
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday March 20, 2013

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	May	7.3225	↑	15.75	cents
Soybeans CBOT	May	14.1975	↓	17.25	cents
Wheat CBOT	May	7.3600	↑	13.50	cents
Wheat Minn.	May	8.0950	↑	13.75	cents
Wheat Kansas	May	7.6625	↑	20.00	cents
Canadian \$	June	0.9738	↓	31.00	points

Investors have diverted their attention to the failing banking sector situation in Cyprus. European Union (EU) finance ministers told Cyprus lawmakers to raise 5.8 billion euros from bank depositors in order to secure a 10 billion euro bailout. The EU is maintaining the revenue target and keeping the pressure on Cyprus to raise the added funds. A parliamentary vote to approve the tax failed Tuesday night, sending Cyprus' finance minister to Russia to secure funds as a Plan-B. Markets following the news returned to normal with the TSX registering higher numbers especially with BlackBerry stocks prior to its official release of their new devices in the US market. The loonie rose against the greenback following the EU announcement on Cyprus' financial situation.

Corn

Corn futures are trading slightly higher in Chicago. Ethanol production for the week ending March 15 averaged 809,000 bpd, up 1.5% over last week and down 9.4% over last year's production according to the CME. Ontario, historically, has been a net importer of corn but this has changed recently with a higher than normal volume of Ontario corn moving south of the border to supply US ethanol plants and feed suppliers, according to Reuters. One million tonnes of Ontario corn is expected to meet US demand this year following the US' worst drought in half a century.

Soybeans

Soybeans were trading higher in Chicago while questions remained on the state of Chinese demand for soybeans as recent reports indicate that Brazilian cargos were cancelled. In addition, South American soybean crushings and exports fell short of expectations in the past two months according to Oil World. As the largest soybean importer with nearly 57% of world



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imports in 2011, China will likely see the level of its stocks play an important factor in deciding prices going forward.

WHEAT

Wheat futures are mostly higher after finding support from a lower US dollar. The dollar is falling against most major currencies ahead of a decision by the Federal Reserve on interest rates. Wheat is beginning to come out of dormancy in the Western Plains according to the CME. The weather forecast over the next week calls for mostly below normal precipitation and temperatures.

Current contract prices for March 20, 2013 as of 3:30 pm are as follows:

SWW at \$255.07 per tonne (\$6.94 /bu), HRW at \$262.61 per tonne (\$7.15/bu.),
HRS at \$269.60 per tonne (\$7.34/bu), and SRW at \$249.41 per tonne (\$6.79/bu.).