



Ontario Grain Market Commentary for April 3, 2013
By Todd Austin, Grain Farmers of Ontario

Wednesday April 3, 2013

Commodity	Period	Price	Weekly Movement		
Corn CBOT	May	6.41 ½	↓	94	cents
Soybeans CBOT	May	13.80 ¼	↓	73 ½	cents
Wheat CBOT	May	6.96 ½	↓	40 ¼	cents
Wheat Minn.	May	7.91 ½	↓	21 ½	cents
Wheat Kansas	May	7.35 ¼	↓	38 ¾	cents
Canadian \$	June	0.9839	↑	18	points

CORN

Recent favourable corn prices have influenced many to plant more corn. The US is poised to plant another large acreage of corn. Projections of a large corn surplus for next year have been forthcoming; however, any indication of drought could send prices higher.

According to the US Drought Monitor, soil conditions are improving in the Midwest following winter snowstorms and rain. Areas with severe to exceptional drought have shrunk over the past few months and it is expected that these areas will continue to shrink.

SOYBEANS

AS March came to a close, the soybean market slid lower due to an abundance of product. Prior to the March 28 USDA report, trade analysts estimated US soybean supplies at about 935 million bushels. The report actually showed closed to 1 billion bushels as of March 1, 2013.

South American production of soybeans is expected to be ample this year; Brazil is estimated to produce 83.5 million tons and Argentina at 51.3 million tons; however transportation of the product to international markets has been an ongoing challenge. The state of Mato Grosso in Brazil for example, is hundreds of kilometers inland. Getting the soybeans trucked to the ports and then loaded on ocean-going vessels is a difficult process. There are transportation disruptions due to rain, a lack of sufficient storage facilities, a shortage of trucks, limited waterways and railways, not to mention congestion at the port facilities as well.

WHEAT

The USDA has rated the US winter wheat crop well below the five-year average and even further below last year's rating in its first update of the year. The latest Crop Progress report from USDA shows the impact of drought on the 2013 Winter Wheat crop. For the 18 key states, 30% of the crop is poor and very poor versus 12% at the same time last year.

According to the Egyptian agriculture minister, officials plan to cut state wheat imports this year by around 10 percent, with the world's largest grain importer relying instead on its domestic crop and



Ontario Grain Market Commentary for April 3, 2013
By Todd Austin, Grain Farmers of Ontario

building storage. Two years of political turmoil and economic crisis have eroded hard currency reserves at a rate of about US\$1 billion a month, raising questions about the nation's future ability to purchase in open tenders.

2013 Harvest contract prices for April 3, 2013 at market close are as follows:

SWW at \$246.93 per tonne (\$6.72 /bu.), SRW at \$230.12 per tonne (\$6.26 /bu.), HRW at \$246.93 per tonne (\$6.72 /bu.), and HRS at \$261.12 per tonne (\$7.11 /bu.).