



Ontario Grain Market Commentary for January 22, 2014
By Mackenna Roth, Grain Farmers of Ontario

Wednesday January 12, 2014

Commodity	Period	Price	Weekly Movement		
Corn CBOT	March	4.26 ¼	↑	½	cents
Soybeans CBOT	March	12.79 ½	↓	38 ½	cents
Wheat CBOT	March	5.61 ½	↓	6 ¼	cents
Wheat Minn.	March	6.16 ¾	↑	2 ¾	cents
Wheat Kansas	March	6.21 ¼	↑	¾	cents
Canadian \$	March	0.90110	↓	105	points

CORN:

Ethanol futures have fallen to their lowest level in weeks on speculation that the abundant corn crop will encourage distillers to increase output. Demand is also slowing due to recent weather events in the US which are hindering travel in some regions.

China imported record volumes of corn in December, with the U.S. accounting for a still-dominant but declining share of shipments to this massive grain market. Over 820,968 metric tons of corn, triple the volume a year earlier and the highest level it has bought in a single month, according to customs data on Tuesday January 21.

SOYBEANS:

The USDA has pegged the Brazilian soybean at 89 million tons, though the Brazilian's are predicting a higher volume. This difference could affect the corn / soybean acreage battle in the US, depending on actual production levels. A lot can happen between now and planting the US crop and the battle for acreage could flow back and forth until then.

Argentine soybean farmers are vocalizing their lack of faith in the Argentinean peso, by hoarding soybeans even as the local futures market shows a clear drop in the price of the oilseed for delivery in the months ahead. As confidence declines in Latin America's No. 3 economy, farmers are content with keeping their grain rather than being paid in a currency that is being devalued.

WHEAT:

Wheat futures rose as recent global purchases have signaled that the recent drop in price is now boosting demand. The recent "Polar Vortex" and freezing weather in parts of the US, are the cause of some concern in that this may harm the winter wheat crop. Below average cold temperatures may make the plant more susceptible to secondary diseases that would appear during the spring, due to poor root development and poor crown depth. Winter kill or damage to wheat isn't always apparent until emergence, and it might take the plant a while to die.



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2013 contract prices for January 22, at the market close, are as follows:

SWW at \$210.38 per tonne (\$5.73/bu.), SRW at \$204.27 per tonne (\$5.56/bu.), HRW at \$220.57 per tonne (\$6.00/bu.), and HRS at \$212.62 per tonne (\$5.79/bu.)