



Ontario Grain Market Commentary for March 5 2014
By Mackenna Roth, Grain Farmers of Ontario

Wednesday March 5, 2014

Commodity	Period	Price	Weekly Movement		
Corn CBOT	March	4.82	↑	26 ½	cents
Soybeans CBOT	March	14.20	↑	12 ¾	cents
Wheat CBOT	March	6.42 ½	↑	42 ½	cents
Wheat Minn.	March	6.88 ¾	↑	18 ½	cents
Wheat Kansas	March	7.09 ½	↑	39 ¼	cents
Canadian \$	March	0.90580	↑	78	points

CORN:

Recent unrest in the Crimea region of Ukraine has triggered a rally in both the corn and wheat markets. The U.S. Department of Agriculture expects Ukraine to be the fifth-biggest wheat exporter and the third-largest shipper of corn in the current marketing year. Any disruption to supplies would mean increased demand for other exporting countries. According to the USDA, Ukraine had been forecast to export 18.5 million tonnes of corn in this current marketing season.

With the most recent long term weather outlook released this week, experts do not expect Mother Nature to give up on winter any time soon. The Weather Network predicts that Ontario will not see warmer weather until mid-April. A very different story, than what this region recently experienced in 2012 and 2013. The large amount of snow fall this season, also causes some concern once the warmer weather does arrive for possible flooding and the ultimate timing of getting into fields. This uncertainty will become clear in the weeks to come, but does contribute to forecasts of yield outcomes for corn and winter wheat in Ontario.

SOYBEANS:

Recent US soybean export numbers indicate more of the current crop has been sold. An already tight supply of soybeans looks to get a bit tighter as sales estimates for this past week are well above trade estimates. The news did send the markets rallying on the open for March 6.

Currently Brazil is experiencing the worst drought in decades; it has hardly rained in some parts of the country's top farming regions since the start of the year. This is concerning to farmers and analysts because this is usually when precipitation is at its heaviest. For the first time, it was forecasted that Brazil was expected surpass the U.S. as the top producer for Soybeans this year. Although with the current weather conditions, this may be unlikely.

WHEAT:

As noted in the corn section, wheat markets have rallied due to unrest in the Crimea region. The USDA projected that Russia and Ukraine will produce a combined 74 million tonnes of wheat in the 2013-14 marketing season and export a total of 26.5 million tonnes of the grain, Ukraine is forecast to export 10 million tonnes of wheat in the current season, while Russian wheat shipments are expected to total 16.5 million tonnes.

Domestically, Western Canada has seen trouble with elevators and rail car service for delivering grain. Elevators in the west are full and unable to take any of the 2013 harvest into storage because of constraints in place from Canadian Pacific Railway Ltd. and Canadian National Railway Co. due to the unusually frigid winter across the Prairie Provinces. The rail companies are also limiting the number of cars available for grain transport. For comparison, last year rail car grain shipments averaged at 5,000 cars a week, currently the forecast is to average 3,800 per week.



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2013 contract prices for February 26, at the market close, are as follows:

SWW at \$250.51 per tonne (\$6.82 /bu.), SRW at \$246.45 per tonne (\$6.71/bu.), HRW at \$262.68 per tonne (\$7.15 /bu.), and HRS at \$246.96 per tonne (\$6.72 /bu.)