



Ontario Grain Market Commentary for March 19, 2014
By Todd Austin, Grain Farmers of Ontario

Wednesday March 19, 2014

Commodity	Period	Price	Weekly Movement		
Corn CBOT	May	4.87%	↓	½	cents
Soybeans CBOT	May	14.31½	↑	44¼	cents
Wheat CBOT	May	7.15%	↑	32	cents
Wheat Minn.	May	7.62	↑	31¼	cents
Wheat Kansas	May	7.88%	↑	42¼	cents
Canadian \$	March	.88830	↓	116	points

CORN:

This will be the first year in many that we witness large corn stocks carried into the next crop year. The large corn carryout has continued to influence the corn market, as corn has not gained as much upside as the wheat market. It has missed out on the large downside movements as well.

Corn has been trading in sync with wheat as the tensions in the Crimea region affect both corn and wheat, which are both major exports of this area. In addition, there is substitution of wheat for corn in feed rations. This relationship between wheat and corn will be examined once again this month as the USDA releases its Grain Stocks report and Prospective Plantings for 2014. The demand side will be closely monitored for both corn exports and corn feeding.

SOYBEANS:

Soybeans continue to take their support from supply and demand; soybeans continue to climb on signals of tightening US stocks. Demand from domestic US processors has increased versus last year at this time and exports continue to outpace the USDA's exports for this year. China had increased US purchases and cancelled Brazilian acquisitions to insure the inflow of beans to their country. This is keeping projected US carryout very tight this year.

WHEAT:

Wheat continues its rally on continued concerns over political tensions between Russia and the Ukraine. While grain continues to move in the area, it is the concern of futures sales that are testing the confidence of international buyers to make any further purchases from this region.

Recent Egyptian wheat tender has helped support prices, in addition to the fact that part of the purchase was with US origin wheat. Dryness in major wheat growing areas in the US is also supporting higher prices as the wheat crop in areas such as Kansas have crop ratings falling during the past week.

2013 contract prices for March 19, at the market close, are as follows:

SWW at \$285.76 per tonne (\$7.78/bu.), SRW at \$281.66 per tonne (\$7.66/bu.), HRW at \$298.17 per tonne (\$8.11/bu.), and HRS at \$281.73 per tonne (\$7.67/bu.)