



Ontario Grain Market Commentary for June 4th, 2014
By Marty Hibbs, Grain Farmers of Ontario

Wednesday June 4th, 2014					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>July</i>	<i>4.56</i>	↓	<i>16</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>July</i>	<i>14.82</i>	↓	<i>16</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>July</i>	<i>6.14</i>	↓	<i>25 ¼</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>July</i>	<i>6.98</i>	↓	<i>20</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>July</i>	<i>7.13</i>	↓	<i>23 ½</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sept</i>	<i>0.9122</i>	↓	<i>40</i>	<i>points</i>

CORN:

Ninety-five percent of the nation's corn crop was planted as of June 1, according to USDA's latest weekly Crop Progress report. That compared to 90% last year and a five-year average of 94%.

USDA reported corn condition for the first time this growing season. Thirteen percent of the crop is in excellent condition, 63% good, 22% fair and 2% poor. That compares to 11%, 52%, 30% and 5% last year, respectively.

SOYBEANS:

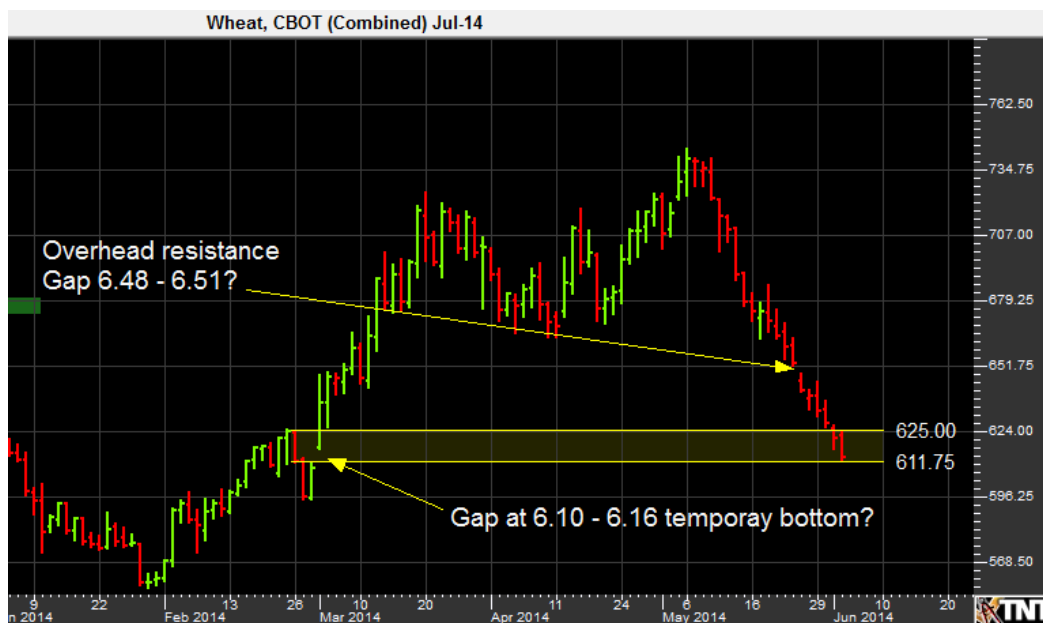
USDA is expecting the U.S. to produce a record high 3.635 billion bushels of soybeans this fall and, so far, those plans are on track. USDA said on June 2 that 78% of the soybean crop was planted and 50% of it had emerged, close to the five-year average pace. If the 2014-15 season closed in line with USDA's May estimates, U.S. ending stocks at 9.6% of annual use would be significantly higher than the current season's record low of 3.8% and correspond historically with March 2015 soybean prices at roughly \$11.65 a bushel.

There are two key market issues we will be paying attention to the rest of this year. One is USDA's Acreage Report, set to be released on June 30th. The other issue will be the world ending stocks of soybeans from USDA's latest WASDE report.



WHEAT:

After 18 losses in 19 sessions, the 20th brought a halt to the slide in Chicago. As of this writing the pre markets are up 5 cents at \$6.18 per bushel after entering the void on the July chart at the \$6.10-6.16 range. This is purely technical trading, given the hugely "oversold" nature of futures after their tumble, which includes losses in the last 10 successive sessions, the longest losing streak in 20 years. Unless we see some fresh news to promote a turnaround, the charts suggest a small rally to 6.48 gap as the grain faces a tough task to mount a sustained recovery.



On the fundamental side, CHS Hedging noted that US prices may have more work to do on the downside before a bottom is discovered, despite the prospect of a drought-reduced hard red winter wheat harvest. The Black Sea is still about 20 cents a bushel below the US pricing.

Countering this is a reluctance among growers to sell, especially marked in hard red spring wheat, which saw a rise in basis on Tuesday, and which rose on the Minneapolis futures markets by 0.5% to \$6.87 ³/₄ a bushel for July.

2014 harvest prices as of June 4th at the market close are as follows:

SWW at \$235.47/mt (\$6.41/bu), **SRW** at \$221.37/mt (\$6.02/bu), **HRW** at \$239.50/mt (\$6.52/bu), **HRS** at \$254.91/mt (\$6.94/bu).



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