



Ontario Grain Market Commentary for June 25th, 2014
By Marty Hibbs, Grain Farmers of Ontario

Wednesday June 25, 2014					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>July</i>	<i>4.41</i>	-	0	<i>cents</i>
<i>Soybeans CBOT</i>	<i>July</i>	<i>14.16</i>	↑	10	<i>cents</i>
<i>Wheat CBOT</i>	<i>July</i>	<i>5.75</i>	↓	10	<i>cents</i>
<i>Wheat Minn.</i>	<i>July</i>	<i>6.74</i>	↑	22	<i>cents</i>
<i>Wheat Kansas</i>	<i>July</i>	<i>7.14</i>	↑	10	<i>cents</i>
<i>Canadian \$</i>	<i>Sept</i>	<i>0.9287</i>	↑	1.24	<i>points</i>

Ontario Premier Kathleen Wynne's post-election cabinet shuffle puts the province's agriculture and food ministry and rural affairs ministry back under one minister.

Wynne on Tuesday announced Jeff Leal, the MPP for Peterborough and the province's minister of rural affairs since February last year, as the new minister of agriculture, food and rural affairs in what's now a 27-member cabinet.

Some observers at Queen's Park had recently been expecting Wynne — who'd pulled double duty in cabinet since early 2013 as premier and ag minister — to hand off the ag portfolio following the June 12 election.

Wynne will serve as minister for intergovernmental affairs on top of her duties as premier.

CORN:

Hedge funds extended a spree of cutting their net long in Chicago corn futures and options, this time by more than 9,000 lots, again fuelled by a rise in short positions, a trend Brian Roach at U.S. broker Roach Ag Marketing told Agrimoney.com last week could fuel a price rebound encouraged by short-covering.

After rallying more than 20 cents from last week's lows, corn is now retesting those lows of \$4.35 based on the July contract. Lows for July contract is just above the \$4.20 mark established back in January of this year.

SOYBEANS:

Managed money, a proxy for speculators, cut its net long position in futures and options in the top 13 U.S. traded agricultural commodities by 43,869 contracts in the week to last Tuesday, data from the Commodity Futures Trading Commission showed.



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Chicago soybean futures and options sustained the brunt of the negative positioning, with speculators cutting their net long position by more than 33,000 contracts to 46,624 lots, the lowest in 10 months

Technically, in an indication of the downbeat sentiment, the number of short positions rose by 22,000 lots to 92,483 contracts – the largest on records going back eight years.

Such movements in positioning are closely watched by investors as they can prove a contrary price indicator, with build-ups in short positioning; for instance, raising questions over a hedge fund's appetite for more such holdings.

WHEAT:

Chicago Wheat continues to search for a bottom as the charts show we are approaching the \$5.50 - \$5.60 lows of January. This looks like a major support level on both the daily and weekly charts. Although the trend is still down, and may take time to turn up, failure to find support at these levels could result in much lower levels as there is not a lot of technical support until we reach the \$4.50 area, a full dollar lower.

Average analyst estimates anticipate that the June 30 report from the USDA will reveal that wheat inventories as of June 1 were 598 million bushels, down considerably from last year's June 1 stocks of 718 million.

2014 harvest prices as of close on June 25th are as follows:

SWW at \$215.83/mt (\$5.87/bu), **SRW** at \$201.98/mt (\$5.50/bu), **HRW** at \$219.79/mt (\$5.98/bu), **HRS** at \$241.25/mt (\$6.57 /bu).