



Ontario Grain Market Commentary for July 16 2014
By Marty Hibbs, Grain Farmers of Ontario

<i>Wednesday July 16, 2014</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Sep</i>	<i>3.78</i>	↓	<i>20</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Aug</i>	<i>11.87</i>	↓	<i>63</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>5.38</i>	↓	<i>12</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>6.28</i>	↓	<i>22</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>6.37</i>	↓	<i>15</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sept</i>	<i>0.9292</i>	↓	<i>78</i>	<i>points</i>

CORN:

Forecasts for a bountiful U.S. corn crop and increased corn stocks could potentially trigger subsidy payments for farmers this year. Pat Westhoff, with the Food and Agricultural Policy Research Institute, says prices might trigger payments under the two programs in the new Farm Bill. “If we were to get corn prices below \$3.70 a bushel on a season average basis producers who signed up for the new Price Loss Coverage (PLC) program would be qualified for payments. Even if prices are higher than that, people who sign up for the Agricultural Risk Coverage (ARC) program might be getting payments on this year’s crop.”

Westhoff says it’s been awhile since corn prices have been this low, “It’s been several years since we’ve seen these kind of prices. 2010 was the last time futures prices were this low. And, we have the potential of having a season-average price that could be the lowest since the 2008 boom.” Of course, everything will depend on the weather moving forward.

SOYBEANS:

Local Ontario farmers are ecstatic about the progress of their crops at this point in time; especially after such a late start. The general consensus among farmers is they would like to see more sun and a little less rain right now.

Temperatures are currently about 5-7 degrees below normal for this time of year and it puts the soybean crop about five to 10 days behind schedule. We need more heat units at this point to catch up but overall the mood is optimistic.



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On the flip side of the coin are the concerns over current prices. The September soybean contract has dropped \$1.50 a bushel since the beginning of May, revealing prices not seen since 2010.

Farmers have learned to take the price roller coaster in stride, knowing that some years you're just growing to break even and have pride in a good crop. However, until the harvest is in the bin, anything can happen.

WHEAT:

The process of booking producer rail cars now has an online component. As of Monday, the Canadian Grain Commission, which allocates grain cars, is accepting applications for the 2014-15 crop year at its website (www.grainscanada.gc.ca).

Car administrators must use the online system, though individual producers may still use traditional or fax procedures.

The Commission says that the 2013-14 crop year saw a 120 per cent increase in applications over the previous year and the new process could help streamline the allocations. The deadline for booking cars for the current crop year was July 16

The September Chicago contract halted its slide on Friday at \$5.25 per bushel. Although the indicators are suggesting an oversold condition, the downtrend is still intact with the next major support seen around the \$4.50-4.60 basis the lead contract month.

2014 harvest prices as of the close of July 16th are as follows:

SWW at \$202.86/mt (\$5.52/bu), **SRW** at \$189.02/mt (\$5.14/bu), **HRW** at \$206.81/mt (\$5.63/bu), **HRS** at \$218.68/mt (\$5.95/bu).