

At Market Master

by Shelley Wetmore

August 24, 2007.....

The market, in my opinion, is still bullish with many good opportunities for the grain seller, even now.

Canola prices in Edmonton remain at \$9.00/bu or better, delivered in months convenient for the producer ... August through November. Prices in December are about 10 cents more.

There are calls for milling rye with very attractive prices at the bin ... see the Bid Board.

We're also looking for spot feed wheat at good levels ... \$4.60/bu delivered to various points.

Feed barley is coming up to the \$4.00/bu or better range delivered Lethbridge (October through December or even Calgary (January).

Edible peas are on the increase, especially for yellows, and feed peas are also in demand.

The only commodity that is NOT going up in price in any dramatic way is milling oats. There's a difference of almost \$1.00/bu between old crop and new crop. I guess we'll have to wait for quality results ...

Watching Winnipeg

Your weekly closing WCE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Nov 07	\$410.00	\$403.30	\$7.70
Jan 08	\$420.80	\$412.00	\$8.80
Mar 08	\$427.30	\$420.20	\$7.10
May 08	\$433.60	\$424.70	\$8.90
Jul 08	\$438.50	\$428.70	\$9.80
Nov 08	\$427.50	\$420.40	\$7.10
Wheat	This Week	Last Week	Diff +/-
Oct 07	\$178.00	\$176.00	\$2.00
Dec 07	\$179.00	\$181.00	(\$2.00)
Mar 08	\$183.10	\$183.00	\$0.10
May 08	\$186.10	\$186.00	\$0.10
Jul 08	\$189.10	\$189.00	\$0.10
Barley	This Week	Last Week	Diff +/-
Oct 07	\$171.20	\$165.00	\$6.20
Dec 07	\$178.00	\$170.90	\$7.10
Mar 08	\$182.30	\$176.50	\$5.80
May 08	\$184.40	\$180.50	\$3.90
Jul 08	\$186.50	\$184.50	\$2.00

Be Grainwise!

by Guest Columnist ... Neil Blue, Marketing Specialist, Alberta Agriculture

US Grain

Crop prices continued last Friday's recovery from the washout in all markets last week—speculative activity leaves the markets prone to such volatility. Stock market and commodity markets in general recovered as funds reestablished "buy" positions.

Corn

According to the weekly crop condition report, the US corn crop improved over the last week. However, concerns continue that the central and southern corn belt is too dry and now some northern areas are too wet. Reports from corn tours are confirming those concerns but consensus is still for a 2007 US corn crop around 13.1 billion bushels which would relieve the extreme tightness in supply-demand tables. The next USDA production estimates will be out on September 12.

Corn prices had a "me too" rally as soybean and wheat prices moved higher. DEC prices met but did not close above the July price high of \$3.71/bu. That level now becomes more important resistance on the price chart. From last Friday, DEC corn held on to 13-cent gains to close at \$3.59/bu.

Soy Complex

A surprising reduction in Monday's soybean crop condition report kick-started a soybean rally.

NOV beans gained 37 cents to close at \$8.65/bu, gapping higher Friday to fill the downside gap made last Thursday. A gap is left on a price chart when the price range on a trading day is either above or below the previous day's price range. Such a move is interpreted by some analysts to be a bearish or bullish sign, depending upon the direction of the gap. Friday's move was a bullish sign, particularly if beans do not close below Thursday's price high (\$8.50 for November) in the next few days.

Wheat

US wheat prices continued their uptrend from early June, recovering from last week's setback. US weekly wheat exports were again above expectations,

as importing countries secure wheat supplies before supplies become even tighter. New contract highs were again made at all three US wheat exchanges, and prices with a strong tone.

Chicago wheat futures made record highs and closed at \$7.22/bu, above the April 1996 high of \$7.17. From last Friday, DEC Chicago gained 54 cents, DEC Kansas City gained 34 cents, and DEC Minneapolis hard spring wheat was up 26 cents/bu.

So far, high prices do not seem to be doing their job of rationing demand, implying more price upside yet.

Canadian Crops

StatsCan is forecasting the following Canadian production (vs. last year in million tonnes) based on farmer surveys:

StatsCan August Report

	2007/08	2006/07
Canola	9.242	9.000
All Wheat	20.322	25.265
Barley	11.848	9.573
Flaxseed	0.642	0.989
Oats	5.087	3.852
Peas	2.95	2.52

Canola

Last year's canola production estimate was increased by almost half a million tonnes. The September 11 Canadian grain stocks report may confirm that increase. Could it be that farmers, when surveyed, tend to underestimate their crops? This year's canola production, although large, will not be a burden to the market for long because of the strength in international vegoil markets.



"Your grain watchdog."

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(Continued from page 1)

Canola prices rallied Thursday in sympathy with a rally in the US but backed off before the close. Thursday's price high of \$416.70/MT very likely equated to a spot price of \$9.00/bu. No doubt, a few farmers have that level as a sell point. With that in mind, the contract high will be tough to exceed in the harvest period. There IS the potential for frost and some locations were down to minus two for a while Thursday morning. If we can make it through the next week without a hard frost, the forecast is for warmer, drier weather next weekend. NOV canola closed at \$410.00/MT, up \$7.70/tonne from last Friday.

Feedgrain

Cash barley prices were steady to higher. DEC barley gained \$6.20/MT to close at \$171.20. Despite the higher barley production this year, barley prices are likely to improve after harvest, assuming crops are harvested without much weathering. The CWB increased barley PROs by \$11.00 to \$217.00/MT which relates back to Alberta around \$160 (\$3.50/bu).

The oat production estimate of five million tonnes was higher than expected and large enough to suppress oat prices. Demand for feed grain in general will support oat prices.

OCT wheat gained \$2.00/MT to close at \$178, a new contract high. The CWB increased all non-durum wheat PROs by \$21/MT and increased durum by \$45.00+.

Pea prices remain strong, with bids for yellow peas up to \$6.25 a bushel.

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	Aug-Sep	\$3.65 del Olds
barley	Aug-Sep	\$3.76 del Lethbridge
barley	October	\$3.87 del Lethbridge
wheat, feed	Aug-Sep	\$4.60 del Edmonton
wheat, feed	Sep-Oct	\$4.58 del Olds
wheat, feed	Sep-Dec	\$4.58 del Red Deer
wheat, 12.5%	Sep-Dec	\$4.85 del Red Deer
wheat, feed	September	\$4.58 del Innisfail
wheat, feed	Sep-Oct	\$4.62 del Lloydminster
wheat, feed	Sep-Dec	\$4.73 del Lloydminster
peas, feed	September	\$5.26 del Edmonton
peas, green	Sep-Dec	\$6.05 del Stettler
peas, yellow	Sep-Dec	\$6.30 del Crossfield
peas, yellow	Sep-Dec	\$6.20 del Stettler
peas, yellow	August	\$6.25 del Innisfail
peas, yellow	Aug-Oct	\$6.20 del Wainwright
rye, milling	October	\$3.81 FOB Calgary
rye, milling	October	\$3.61 FOB Oyen
rye, milling	October	\$3.73 FOB Red Deer
rye, milling	October	\$3.61 FOB Edmonton
rye, milling	October	\$3.86 FOB Lethbridge
oats, milling	August	\$3.16 del Martensville
oats, milling	September	\$2.33 del Martensville
oats, milling	December	\$2.26 del Martensville
oats, milling	January 08	\$2.34 del Martensville
oats, milling	February 08	\$2.40 del Martensville
oats, milling	March 08	\$2.44 del Martensville
canola	Sep-Nov	\$9.02 del Edmonton
canola	Oct-Nov	\$9.75 del Vancouver
canola	Dec-Jan	\$9.14 del Edmonton
canola	May-Jun 08	\$9.44 del Fort Sask
canola	Oct-Nov 08	\$9.07 del Fort Sask



Futures, Options, Hedging
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At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 52 lb	\$3.32 FOB	September	Millet
barley, 52 lb	\$3.30 FOB	August	Ferintosh
wheat, feed	\$4.60 del Edmonton	October	Athabasca
peas, green	\$4.70 FOB	August	Alliance
peas, green	\$5.26 del Edmonton	September	Wetaskiwin
peas, yellow	\$6.70 del Innisfail	Oct-Nov	Donalda
peas, yellow	\$6.45 FOB	Oct-Nov	Clive
canola	\$9.02 del Edmonton	Oct-Nov	Pickardville
canola	\$9.17 del Edmonton	November	Rochester
canola	\$9.03 del Edmonton	Aug-Sep	Bon Accord
flax	\$9.00 del Edmonton	October	Falher
flax	\$9.00 del Edmonton	October	Blackie

FOR SALE: 1997 JD CTS ... 2073 separator hours, JD hopper extension, fine cut chopper, kirby chaff spreader, hydraulic fore/aft for pickup reel, 914 pickup, well maintained. \$76,000. Call Doug Clemens @ (403) 534-2191, Mossleigh, Alberta.

WANTED: Class 1 Trucker/Combine operators. Finish your own harvest early, then come on in to Loughheed, Alberta for extra fall employment! Work to commence mid-August until completion of harvest. You already have the skills and qualifications ... just put them to work. Call Vernon Snethun @ (780) 386-3979 home or (780) 608-3979 cell.

WANTED: A Farmer's Daughter. We're looking for an energetic person to join our team as a Grain Marketing Representative to talk with grain producers, relay market information, and perform other marketing activities. This Edmonton-based career is suitable only to someone who loves the industry. Please send resumes directly to: shelley.wetmore@shaw.ca

By the Number	This Week	Last Week	Diff
CME Live Cattle (AUG)	94.375	91.950	2.425
CME Live Hogs (AUG)	70.650	67.275	3.375
CDN Dollar (SEP)	0.9501	0.9408	0.0093
Minneapolis Wheat (SEPT)	7.25	6.72	0.53
Kansas City Wheat (SEPT)	6.82	6.50	0.32
Chicago Oats (SEPT)	2.47	2.45	0.02