

At Market Master

by Shelley Wetmore

July 4, 2008.....

If you have **CWB contracted wheat** STILL in the bin, we can help. We can move about 1,000 MT total for each month of July and August, as long as your wheat is grading #1, #2, or #3. Call me for details and get it out of there!

If you're one of the many, many producers with **old crop milling oats** still in the bin, there are really only two choices left:

1. Hold on to them for movement in November or as late as January
2. Sell them into the feed market.

Here's one tidbit to keep in mind: The 2007-2008 crop year produced the largest oat crop in Western Canada for 39 years. Estimates say there are 900,000 MT of carryover oats! That's one reason why you don't necessarily see a corresponding jump in the cash market when CBOT oats are on a small rally. Do you have enough bin space to carry those oats through to next year?

For the first time since 1995, we will be increasing brokerage. Effective August 1, five cents will change to six cents. Grain booked before this date will still be at the five cents rate.

Lastly, everyone needs rain!

Watching ICE

Your weekly closing ICE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Jul 08	\$693.90	\$677.80	\$26.10
Nov 08	\$709.50	\$690.00	\$19.50
Jan 09	\$722.10	\$701.10	\$21.00
Mar 09	\$731.10	\$711.90	\$19.20
May 09	\$739.70	\$724.40	\$15.30
Jul 09	\$748.40	\$732.60	\$15.80
Nov 09	\$726.90	\$710.40	\$16.50
Jan 10	\$731.60	\$715.10	\$16.50
Barley	This Week	Last Week	Diff +/-
Jul 08	\$266.00	\$249.90	\$16.10
Oct 08	\$280.00	\$256.90	\$23.10
Dec 08	\$285.00	\$265.00	\$20.00
Mar 09	\$291.90	\$271.00	\$20.90
May 09	\$294.20	\$271.00	\$23.20
Jul 09	\$294.20	\$271.00	\$23.20

Be Grainwise!

A Farmer's Perspective ... by John Stewart, Galahad, Alberta, (780) 583-2453

US Grain

Corn

Monday's USDA planted acreage report let the air out of corn bulls' balloon with a bearish seeded acreage figure of 87.3 mln acres, 1.3 mln acres over its previous estimate. Adding to the bearish tone, was a 4.028 bln bu corn stocks figure, well over pre-report expectations. Many traders, however, are skeptical of the USDA figures, particularly on the seeded acreage end of things. It's felt the effects of recent flooding in Illinois and other key corn belt states has not fully been factored into this report. The USDA acknowledges as much by indicating another 9000 producers will be surveyed in the coming weeks and the results included in their August report.

Nevertheless, SEP corn closed 10 cents lower at \$7.57¾/bu.

Soy Complex

The news was better for beans as the USDA came out with a seeded acreage figure of 74.5 mln acres, just slightly under the last reported figure. Despite a lower than expected figure, it's important to note that this year's acreage would be the 3rd largest bean crop in US history. The bean stocks figure, however, below trade expectations at .676 bln bu. Weekly exports also gave futures a boost at 642,400 mt, pushing annual sales to 1.126 bln bu—well above the current USDA projection of 1.11 bln bu.

Although there was nothing wildly bullish about this week's bean figures, AUG futures bounced an impressive 70 cents to \$16.49/bu while meal jumped \$21 to \$445.70/t. AUG oil enjoyed a 1.63 cent rally to close at 67.53/lb.

Wheat

All wheat seeded acreage came in below expectations at 63.457 mln acres but that was largely counteracted by a larger than anticipated stocks figure of .306 bln bu. Harvest pressure in the US has been a negative for wheat prices although recent rains have slowed the combines in portions of the US plains. Outside, the US crops look good and, with the most recent IGC report indicating a bumper global crop, it's difficult for market bulls to gain any

traction. Forecasts for rain in Australia also weighed on prices but a strong week of exports helped wheat come off the lows set earlier in the week.

SEP CBOT wheat closed 24½ cents lower at \$8.87½/bu while KCBT wheat drifted 32¾ cents lower to \$9.12¼/bu. MGE wheat got hit the hardest settling 64¼ cents lower at \$9.38/bu.

Canadian Grain

Oilseeds

A weaker Canadian dollar and spillover support from beans sent canola futures sharply higher with the NOV closing \$19.50 higher at \$709.50/MT. Similar gains were seen in deferred months.

Talk of export interest from Mexico and China was supportive. Canola seems to have shaken off the negative StatsCan report which showed over 15.8 mln acres of canola had been sown this year by prairie growers. However, concern over the condition of that crop, particularly in Northern Saskatchewan, has trader's watching the weather maps. Improving basis levels are affording producers the opportunity to lock-in prices over \$16.00/bu in some locations for new crop production.

Feedgrain

OCT barley closed \$23.10 higher at \$280.00/MT but cash prices remain largely unchanged. OCT wheat was untraded and unchanged at \$285. Cash edible pea bids remain solid and static.

Classifieds

Equipment for sale: 1995 CASE IH 2188 combine for \$69,000. 22 1/2' flex header for sale as well. Call Ray Hittinger, St. Albert, (780) 939-3601.



"Your grain watchdog."

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Strategies

A Farmer's Perspective ... by John Stewart, Galahad, Alberta, (780)

Monday's USDA report took many traders by surprise and some are still not convinced the USDA has it right. Their thinking is although 87.3 mln acres have been planted, USDA figures have yet to accurately determine the number of acres flooded, had to be reseeded, or just plain late in the first place.

The concern is that with shallow rooted crops due to excessive moisture, any hot, dry spell could have devastating effects on overall yield. Plus, late seeded crops will be pollinating during the hottest part of the summer—something not conducive to top yields. Then, there's the seeded acres versus harvested acres debate. With feed prices as high as they are, some of that late corn may be harvested as silage, not grain. Some feel we've already seen the largest corn acre and smallest bean acre estimates of the year. The August report is usually a mundane affair but this year it could ignite fireworks.

Do not underestimate the influence **energy markets** have on grains and oilseeds. Crude oil is at \$146 and no one knows where the top will be. Speculative money is flowing into these markets strictly as an investment opportunity and a hedge against inflation. Some of that money is flowing into the grain markets for the same reasons. However, these markets act in tandem and they're all taking their cue from crude oil. Should oil see a setback, grains are almost surely to follow. This has been a double-edged sword for producers. There's no question the strength in crude has pushed grain prices higher, but it's also raised the cost of production through higher fuel and fertilizer prices.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 48 lb	\$5.05 FOB	Sep	Didsbury
barley, 48 lb	\$5.30 FOB	Jan 09	Didsbury
barley, 48 lb	\$4.70 FOB	Jul	Mayerthorpe
barley, 48 lb	\$4.75 del Olds	Jul	Calmar
barley, 48 lb	\$4.97 FOB	Jul-Aug	Beaumont
barley, 48 lb	\$4.65 FOB	Jul	Vilna
barley, 50 lb	\$4.50 FOB	Jul	Bluesky
barley, 50 lb	\$5.00 FOB	Jul	Gwynne
barley, 50 lb	\$5.00 FOB	Jul	Nisku
barley, 50 lb	\$5.00 FOB	Jul	Legal
oats, milling	\$3.80 FOB	Nov	Camrose
oats, milling	\$3.02 del Sask	Jul	Fort Kent
oats, milling	\$2.95 FOB	Jul	Bonnyville
oats, milling	\$2.79 FOB	Jul-Aug	Crooked Creek
oats, feed	\$2.70 FOB	Jul	Vermilion
oats, feed	\$3.05 FOB	Jul	Delburne
wheat, feed	\$8.01 FOB	Jul	Holden
wheat, feed	\$7.75 FOB	Jul	St. Michael
wheat, feed	\$7.60 FOB	Jul	Bluesky
wheat, feed	\$8.00 FOB	Jul	Tofield
wheat, feed	\$8.10 FOB	Jul	Olds
wheat, feed	\$7.27 FOB	Jul	Thorhild
wheat, feed	\$7.87 FOB	Jul	Thorhild
triticale, feed	\$6.08 FOB	Jul	Sedalia

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	Jul-Aug	\$5.50 del Lethbridge
barley	Jul-Aug	\$5.40 del Calgary
barley	Jul	\$5.48 del Lethbridge
barley	Jul-Aug	\$5.18 del Olds
barley	Jul-Aug	\$5.00 del Irma
barley	Aug	\$5.28 del Calgary
barley	Sep-Oct	\$5.50 del Lethbridge
barley	Nov-Dec	\$5.55 del Lethbridge
barley	Jan-Mar 09	\$5.39 del Brooks
barley	Jan-Mar 09	\$5.72 del Lethbridge
wheat, feed	Jul-Aug	\$6.95 del Irma
wheat, feed	Jul-Aug	\$7.84 del Red Deer
wheat, feed 13% prt	Jul-Aug	\$8.44 del Red Deer
wheat, feed	Aug-Sep	\$6.95 del Edmonton
wheat, feed	Sep-Nov	\$6.75 del Red Deer
wheat, feed 12.5% prt	Sep-Oct	\$7.43 del Red Deer
wheat, feed 12.5% prt	Nov-Dec	\$7.57 del Red Deer
wheat, feed 12.5% prt	Jan-Mar 09	\$7.84 del Red Deer
peas, feed	Jul	\$7.71 del Edmonton
peas, feed	Jul	\$7.43 del Wetaskiwin
peas, green edible	Aug-Oct	\$8.60 del Innisfail
peas, green edible	Aug-Oct	\$10.00 del Innisfail
rye/triticale, feed	July	\$7.20 del Red Deer
rye, feed	Aug-Sep	\$7.57 del Lethbridge
rye, milling	Aug-Dec	\$7.20 FOB Alberta
canola	Jul	\$15.00 del Lloydminster
canola	Aug	\$14.84 del Ft. Sask
canola	Oct	\$14.95 del Lloydminster
canola	Dec	\$15.32 del Lloydminster
canola	Jan 09	\$15.43 del Lloydminster
canola, htd	Jul-Aug	\$8.57 del Edmonton
oats, feed	Jul-Aug	\$3.42 del Pincher Creek
oats, feed	Jul-Aug	\$2.95 del Vermilion
oats, feed	Jul-Aug	\$3.11 del Lethbridge
oats, feed	Jul-Aug	\$3.50 del Coaldale
oats, #2 CW	Oct	\$3.45 del Edmonton
oats, #2 CW	Nov	\$3.60 del Edmonton
oats, milling	Nov	\$4.06 del Martensville
oats, #2 CW	Dec	\$3.70 del Edmonton
oats, milling	Dec	\$4.08 del Martensville
oats, milling	Jan 09	\$4.25 del Martensville
oats, milling	Feb 09	\$4.28 del Martensville
oats, milling	Mar 09	\$4.30 del Martensville

By the Number

	This Week	Last Week	Diff
CME Live Cattle (JUN)	\$103.800	\$101.000	\$2.800
CME Live Hogs (JUL)	\$72.275	\$73.300	(\$1.025)
CDN Dollar (SEP)	\$0.977	\$0.988	(\$0.011)
Minneapolis Wheat (JUL)	\$8.72	\$8.95	(\$0.230)
Kansas City Wheat (JUL)	\$9.05	\$9.20	(\$0.150)
Chicago Oats (JUL)	\$4.55	\$4.31	\$0.24
Clear Diesel (spot, Edmonton)	\$1.31	\$1.28	\$0.30
Crude Oil (AUG)	\$145.29	\$140.90	\$4.39