

At Market Master

by Shelley Wetmore

July 11, 2008.....

I write this issue from Montreal as tomorrow is the start of the 22nd CSCA Convention (Canadian Special Crops Association). I'm quite looking forward to the industry tour of the Port of Montreal where I expect to see container loading among other things. The conference has a host of expert speakers and buyers from around the globe. I hope to return to Alberta smarter and with pea buyer contacts in my hot little hands for Alberta Pulse Growers!

Speaking of hot (and not), canola continues to slide. For the spot market, we've dropped about 70 cents/bushel since last Friday. The same story goes for fall milling oats—down and down. The hot spots, though, continue to be for feed barley and feed wheat. Prices for those commodities, whether the spot market OR forward, are quite attractive for the seller. Which, of course, is good news considering fertilizer prices are well over the \$1,000/MT mark. One or more of the commodities grown in western Canada have to pay the bills.

Which reminds me, have you reviewed your cost of production yet? Don't forget the scary statistic of only 10% (or less) of producers are estimated to have completed this task—if ever. Which category do YOU fall in?

Watching ICE

Your weekly closing ICE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Jul 08	\$665.00	\$693.90	(\$28.90)
Nov 08	\$681.20	\$709.50	(\$28.30)
Jan 09	\$692.90	\$722.10	(\$29.20)
Mar 09	\$703.50	\$731.10	(\$27.60)
May 09	\$712.90	\$739.70	(\$26.80)
Jul 09	\$718.40	\$748.40	(\$30.00)
Nov 09	\$703.20	\$726.90	(\$23.70)
Jan 10	\$707.90	\$731.60	(\$23.70)
Barley	This Week	Last Week	Diff +/-
Jul 08	\$256.20	\$266.00	(\$9.80)
Oct 08	\$270.20	\$280.00	(\$9.80)
Dec 08	\$275.00	\$285.00	(\$10.00)
Mar 09	\$281.30	\$291.90	(\$10.60)
May 09	\$283.60	\$294.20	(\$10.60)
Jul 09	\$283.60	\$294.20	(\$10.60)

Be Grainwise!

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

US Grain

Corn

Improving growing conditions in the US Midwest sent futures sharply lower to start the week. It seems the flooding problems of a few short weeks ago were completely forgotten as traders now look for better than previously anticipated yields. That sentiment was bolstered when Informa Economics predicted an average corn yield of 152 bu/ac which would produce a 12 billion bushel US crop. The most recent USDA report pegs average yields at 148 bu/ac

SEP corn skidded 66¾ lower to \$6.91/bu. A weekly export figure of 337,400 mt was in the middle of market expectations and did little to affect prices.

Soy Complex

A slumping oil market also weighed on bean prices early but a recovery towards the end of the week boosted bean futures off their lows.

Unsettled farmers in Argentina over government export taxes suggests all may not be going as well as previously thought as far as exports are concerned.

Friday's USDA S/D report also gave beans a slight boost (see Strategies). Exports were on the light side at just 66,400 mt and lent slight pressure to prices.

AUG beans closed 33½ cents lower to \$16.15/bu while meal managed to inch 20 cents higher to \$445.90/t. AUG oil slipped 2.90 cents to 64.63 cents/lb.

Wheat

Harvest pressure in the US (60% of the winter wheat crop is now harvested) plus spillover pressure from corn sent wheat futures sharply lower.

Weekly exports came in at a respectable 617,100 mt but fell within expectations.

There's concern over the SW portion of North Dakota's spring wheat crop which is in dire need of rain but reports that the French crop may not quite meet expectations were shrugged off.

SEP CBOT wheat fell 56¾ cents to \$8.30¾/bu while KCBT wheat dropped 48¾ cents to \$8.63½/bu while MGE wheat slipped "just" 41½ cents to \$8.96½/bu.

Canadian Grain

Oilseeds

NOV canola followed beans lower, settling \$28.30 lower at \$681.20/MT.

A strong Canadian dollar was largely offset by reluctant farmer selling. There seems to be a divergence of opinion as to the condition of the prairie canola crop with most analysts expecting larger than normal yields due to recent rains in many parts of the prairies. Farmers, however, have a different take on the situation and predict we'll be lucky to achieve average yields (see Strategies).

Steady crusher buying and rumours of new export interest pulled canola prices off their lows established earlier in the week.

Feedgrain

Cash barley prices remain firm due to concern that dryness in Eastern Alberta and Western Saskatchewan may reduce the amount of feed barley available this fall. Futures, on the other hand, took their cue from the sharply lower corn market and fell \$9.80 to \$270.20/MT.

Feed wheat futures were once again untraded and unchanged.

Edible pea bids remain steady for both old and new crop production.

Flax bids remain RED HOT!

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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At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 45 lb	\$4.65 del Warburg	Jul	Calmar
barley, 47 lb	\$4.30 FOB	Jul-Aug	Wainwright
barley, 48 lb	\$4.90 FOB	Jul	Bonnyville
barley, 48 lb	\$5.00 FOB	Jul	Thorsby
barley, 48 lb	\$4.87 FOB	Sep-Oct	Two Hills
barley, 48 lb	\$5.25 FOB	Jul	Mossleigh
barley, 48 lb	\$5.00 FOB	Jul	Wetaskiwin
barley, 48 lb	\$4.98 FOB	Nov	Edberg
barley, 48 lb	\$5.00 FOB	Jul	Camrose
barley, 48 lb	\$5.24 FOB	Jan 09	Gadsby
barley, 48 lb	\$4.96 FOB	Jul-Aug	Killam
barley, 48 lb	\$4.90 FOB	Jul-Aug	Thorhild
barley, 48 lb	\$4.95 FOB	Jul-Aug	St. Albert
barley, 48 lb	\$5.00 FOB	Sep	Castor
barley, 48 lb	\$5.20 FOB	Jul	Mannville
barley, 49 lb	\$5.41 FOB	Jan 09	Mossleigh
barley, 49 lb	\$4.90 FOB	Jul-Aug	Thorhild
barley, 50 lb	\$4.90 FOB	Jul-Aug	Elk Point
barley, 50 lb	\$5.50 del Picture Butte	Jul	Millet
barley, 50 lb	\$4.85 del Vegreville	Jul-Aug	Two Hills
barley, 50 lb	\$5.00 FOB	Jul-Aug	Legal
barley, 50 lb	\$4.78 FOB	Jul-Aug	Westlock
barley, 50 lb	\$5.02 FOB	Jul	Millet
barley, 52 lb	\$4.70 FOB	Jul-Aug	Boyle
barley, 52 lb	\$5.00 FOB	Jul	Ohaton
barley, 53 lb	\$5.22 FOB	Jul	Strathmore
canola, htd	\$11.06 FOB	Jul	Falher
canola, htd	\$9.70 FOB	Jul	Falher
canola, htd	\$11.06 FOB	Jul	Debolt
canola, htd	\$9.59 FOB	Jul	Redwater
oats, milling	\$2.95 FOB	Jul	Bonnyville
oats, milling	\$3.00 FOB	Jul-Aug	Morinville
oats, milling	\$2.95 FOB	Jul-Aug	Vilna
oats, feed	\$3.50 del Coaldale	Jul	Millet
oats, feed	\$2.95 FOB	Jul-Aug	Westlock
oats, feed	\$2.70 FOB	Jul	Boyle
wheat, feed	\$8.10 FOB	Jul	Wetaskiwin
wheat, feed	\$7.19 FOB	Jul	Athabasca
wheat, feed	\$7.20 FOB	Jul-Aug	Wainwright
wheat, feed	\$7.51 FOB	Jul-Aug	Wetaskiwin
wheat, feed	\$6.81 FOB	Jul	Hayter
wheat, feed	\$7.20 FOB	Jul-Aug	Millet
wheat, feed	\$8.17 FOB	Jul-Aug	Ponoka
wheat, feed	\$7.51 FOB	Jul	Gibbons
wheat, feed	\$7.13 FOB	Jul-Aug	St. Albert
rye, feed	\$6.80 FOB	Jul	Gibbons
rye, feed	\$8.50 FOB	Jul	Gadsby
rye, feed	\$8.50 FOB	Jul	Two Hills
rye, clean	\$8.50 FOB	Jul	New Norway
rye, clean	\$8.50 FOB	Jul	Ponoka
triticale, feed	\$6.86 FOB	Jul	Gadsby
peas, green	\$7.03 FOB	Jul	Vermilion

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	Jul-Aug	\$5.28 del Lacombe
barley	Jul	\$5.50 del Lethbridge
barley	Jul	\$5.44 del Lethbridge
barley	Aug	\$5.50 del Lethbridge
barley	Aug	\$5.28 del Calgary
barley	Aug	\$4.96 del Irma
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	\$7.57 del Red Deer
wheat, feed 13% prt	Jul-Aug	\$8.44 del Red Deer
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, yellow edible	Aug-Oct	\$9.70 del Innisfail
rye/triticale, feed	Jul-Aug	\$7.20 del Red Deer
rye, feed	Aug-Sep	\$7.57 del Lethbridge
rye, milling	Aug-Dec	\$7.20 FOB Alberta
canola	Jul	\$14.42 del Lloydminster
canola	Aug	\$14.49 del Ft. Sask
canola	Oct	\$14.38 del Lloydminster
canola	Dec	\$14.76 del Lloydminster
canola	Jan 09	\$14.87 del Lloydminster
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	\$3.53 del Martensville
oats, #2 CW	Dec	\$3.70 del Edmonton
oats, milling	Dec	\$3.56 del Martensville
oats, milling	Jan 09	\$3.74 del Martensville
oats, milling	Feb 09	\$3.76 del Martensville
oats, milling	Mar 09	\$3.78 del Martensville

Heated Canola Prices!

max 15%	\$11.06 FOB Peace
max 25%	\$9.93 FOB Peace
max 45%	\$9.36 FOB Peace
Spring Thrash	\$8.80 FOB Peace
max 15%	\$11.29 FOB Alberta
max 25%	\$10.16 FOB Alberta
max 45%	\$9.59 FOB Alberta
Spring Thrash	\$9.02 FOB Alberta

Strategies

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

This morning's USDA S/D report held few surprises but it does set a benchmark from which to move forward.

As expected, corn ending stocks for the '08-'09 year were bumped from .673 bln bu to .833 bln bu. Not surprisingly, this got a bearish read from the market. But, to put things into context, last year's carryout was 1.598 bln bu. Traditionally, anything under 1 bln bu has been considered tight. Although this year's crop is improving, it's about two weeks behind schedule. That leaves it very vulnerable to hot, dry weather as summer rolls along—particularly during the critical pollination phase.

Technically, August corn appears to have formed a "double top" and really has very little support until we hit the \$6.48/bu mark. That would mean

another 40 cent drop from current levels and may be one of the reasons speculative money is moving from corn to beans where the overriding effect of crude oil is much stronger.

Corn

In contrast to corn, bean ending stocks were lowered in this morning's report from 170 mln bu to 130 mln bu. This year's bean crop is shorter than normal and behind normal development. Current USDA projections are for an average yield of 41.6 bu/ac which is slightly lower than the June estimate of 42.1 bu/ac. However, a prominent private forecaster has pegged this year's crop at just 40 bu/ace. Time will tell.

Canola

As I mentioned earlier, there's some debate over the condition of the prairie canola crop.

As I review the latest satellite vegetation maps, it's obvious there are some areas of concern. With the exception the Western Peace country, Alberta appears to be in decent shape. There are always pockets of dryness but, overall, not too bad. However, in Saskatchewan, things don't look as good east and north of North Battleford, northeast of Saskatoon, and southeast of Regina. Large areas south of Winnipeg also appear to need rain with the area between Hillsboro and Morris appearing to be the worst off. But, there's a long time to go before harvest. It's the stuff that markets are made of.

Alberta Soils Tour

The 2008 Alberta Soils Tour, a two-day tour, is July 22 and 23. The tour will begin at the Agriculture and Agri-Food Council (AAFC) Research Station in Lacombe on July 22.

Stops include Alberta Agriculture's Beneficial Management Practices Evaluation Project at Whelp Creek, oil site reclamation projects where participants will have a chance to discuss current and future regulations with respect to well site reclamation in Alberta. Other stops in Red Deer county and Rocky Mountain House will also focus on land use planning and range and pasture health issues. The tour will take participants to areas that feature a number of different soils and geographic features in west central Alberta.

On July 23, the tour will head towards Drayton Valley and then east on 616 back towards Highway 2. Tour stops on day-two include Premier Horticulture's peat extraction, area woodlots and the University of Alberta's famous Breton Plots and Bentley Preserve. Discussions on clubroot and municipal responsibilities and activities will round out the tour.

For further information on the tour and to register, contact Dr. Jason Cathcart at (780) 427-3432.

Lacombe Field Day

Minimizing production risks through agronomy and genetics is the theme of the Lacombe Field Day, July 31. Speakers and topics for this year's event include:

- **Jennifer Mitchell Fetch** - oat breeding for food
- **Neil Harker and John O'Donovan**- rotations and management for biodiesel crop production- production inputs: fertilizer, herbicides and seeding trails-integrated crop management
- **Kelly Turkinton and Kequan Xi** - cereal diseases: resistance, rotations, fungicides with herbicides, alternative seed treatments
- **Mark McLean** - net blotch: a spot of trouble
- **Kequan Xi and Pat Juskiw** - disease development and screening methods
- **Joseph Nyachiro, Pat Juskiw and Jim Helm**- barley breeding: strategies for minimizing production risks in feed improvement- defining quality for feed improvement through genetics

Registration fee is \$20 and includes lunch, tour, and refreshments. Registration is requested prior to July 25. For further information and to register, contact Loree at (403) 782-8114, Heather at (403) 782-8100 or e-mail verquinl@agr.gc.ca.

By the Number	This Week	Last Week	Diff
CME Live Cattle (JUN)	\$101.100	\$103.800	(\$2.700)
CME Live Hogs (JUL)	\$74.975	\$72.275	\$2.700
CDN Dollar (SEP)	\$0.990	\$0.977	\$0.013
Minneapolis Wheat (JUL)	\$8.19	\$8.72	(\$0.530)
Kansas City Wheat (JUL)	\$8.53	\$9.05	(\$0.520)
Chicago Oats (JUL)	\$4.37	\$4.55	(\$0.180)
Clear Diesel (spot, Edmonton)	\$1.31	\$1.31	\$0.00
Crude Oil (AUG)	\$144.15	\$145.29	(\$1.14)

Conversion Table		
40 MT of	Equals	# of bu
barley	x 45.930	1,837 bushels
wheat, peas	x 36.744	1,470 bushels
canola	x 44.092	1,764 bushels
flax, rye, corn	x 39.368	1,575 bushels
oats	x 64.842	2,594 bushels