

At Market Master

by Shelley Wetmore

September 12, 2008.....

Just in ... if you're NOT swathing, combining, or fixing equipment this Saturday evening, there's a meeting at the Moose Hall (2 miles south of Ponoka on Highway 2A), regarding pricing of 4400 fertilizer. A broker from the US is meeting with producers at 7:00 pm that evening. For further information, contact Ken in Ponoka on his cell at (403) 783-0400. Ken will supply us with an update next week for those interested.

We still have room for spot barley and feed wheat for those of you who need bin space or cashflow.

Overall, for producers who have actually combined something, both yield and quality have been above average. For everyone else, it's a waiting game. Spurts of rain continue to delay harvest in most areas.

Watching ICE

Canola	This Week	Last Week	Diff +/-
Nov 08	\$508.10	\$508.60	↓ (\$0.50)
Jan 09	\$519.60	\$519.30	↑ \$0.30
Mar 09	\$529.50	\$528.80	↑ \$0.70
May 09	\$539.10	\$538.70	↑ \$0.40
Jul 09	\$545.80	\$548.50	↓ (\$2.70)
Nov 09	\$550.30	\$558.60	↓ (\$8.30)
Barley	This Week	Last Week	Diff +/-
Oct 08	\$205.90	\$215.00	↓ (\$9.10)
Dec 08	\$213.40	\$221.90	↓ (\$8.50)
Mar 09	\$220.20	\$228.40	↓ (\$8.20)
May 09	\$224.70	\$232.90	↓ (\$8.20)
Jul 09	\$224.70	\$232.90	↓ (\$8.20)
Oct 10	\$224.70	\$232.90	↓ (\$8.20)



"Your grain watchdog."

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Be Grainwise!

By Guest Columnist ... Neil Blue, Marketing Specialist, Alberta Agriculture, (780) 853-8239

US Grain

Corn

Corn futures traded sideways to lower into Friday's monthly USDA supply-demand report. Monday's crop condition ratings were lower for corn but still above both the five-year average and last year's condition at this time. Last week's rains in the eastern Corn Belt and more rains this week have reduced dryness concerns. Monday's export inspections report was weak for corn which may be a sign feeding of low-grade wheat is replacing some corn demand. Thursday's export commitment report was not supportive either, with new crop sales commitments well below year ago. Also, other commodity prices and ongoing general economic concerns were a negative influence on crop markets, as crude oil and gold prices were lower.

However, Friday, USDA released a lower estimate for average 2008 corn yields than in the August report. USDA's September yield estimate was at 152.3 bpa compared to the August estimate of 155 bpa. By Friday's close of trade, DEC corn closed up the 30-cent limit. Not all analysts agree with USDA's revised production estimate. The weather market will continue for a while yet.

DEC corn closed Friday at \$5.63/bu, up 15 cents on the week.

Soy Complex

Soybean prices traded sideways. After the sharp price drop last Friday, soybean traders seemed "turned-off" - maybe it was the weakness in crude oil prices.

Friday, USDA estimated the average US soybean yield at 40 bpa, slightly less than the August report. Carryover for next crop year was unchanged at 135 million bu, still tight. As with corn, the lower bean yield estimate was a surprise, considering recent improvement in rain.

NOV beans closed at \$12.02/bu, up 25 cents (on Friday after the report). NOV beans have chart resistance at \$12.33/bu, the top of last week's gap. Chart support is at \$11.60/bu, this week's low and the lowest level since April. DEC meal closed at \$334.50/t, up \$7.50. DEC oil closed at 47.99 cents/lb, down 9/10ths of a cent over the week.

Wheat

Wheat prices continued to move lower. USDA again confirmed in Friday's report that world wheat production is rebounding. USDA estimated 2008-09 world wheat carryout at 140 million tones—significantly higher than the 118 million tonne for the crop year just ended.

Egypt bypassed US wheat this week in favour of buying European wheat. Australia's wheat crop prospects are better than last year, so far.

DEC Chicago wheat futures lost 32 cents to close at \$7.19, DEC Kansas City wheat lost 35 cents to close at \$7.95, and DEC Minneapolis wheat lost 27 cents to close at \$7.88/bushel.

Canadian Crops

Oilseeds

Canola traded sideways. China was to have purchased four cargoes of Canadian canola. Price negative was StatsCan estimated this July's year-end carryover stocks at 1.54 million tones—not huge for annual demand but about 300,000 MT higher than the average pre-report estimate. Unless the 2008 harvest is less than expected, canola supplies will be abundant, implying generally weak basis levels and less chance for the spectacular prices of last winter.

NOV canola closed the week at \$508.10/MT, almost unchanged from last Friday. Price support is at \$500.00 which may hold in the short-term. However, price upside appears limited at this time, while downside risk remains.

Feedgrain

OCT barley lost \$1.60 to close at \$213.40/MT. This week's StatsCan report was not barley price-friendly. StatsCan estimated July 31 barley stocks at 1.57 million tonnes, about 450,000 tonnes above average trade estimates. Barley export competition will be much stronger this coming year. Considering that grain quality in western Canada has eroded with the wet weather lately, the outlook for a rebound in feedgrain prices is not good. Offsetting some of the supply concerns with feedgrain is the likelihood of lower feeder cattle exports to the US this fall, and, therefore, better domestic demand for feedgrain this winter.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	\$3.97 FOB	Oct	Castor
Barley, 48 lb	\$3.80 FOB	Sep	Innisfree
Barley, 48 lb	\$4.32 del Brooks	Nov-Jan	Heisler
Barley, 48 lb	\$3.80 del Lethbridge	Sep-Oct	Lavoy
Barley, 50 lb	\$3.80 FOB	Sep	Altario
Barley, 50 lb	\$3.86 FOB	Sep	Heisler
Oats, feed	\$2.13 FOB	Sep	Bonnyville
Oats, milling	\$3.44 del Edmonton	Apr 09	Bonnyville
Oats, 2CW	\$3.44 del Edmonton	Feb 09	Falher
Wheat, feed	\$5.75 FOB	Sep-Oct	Stettler
Wheat, feed	\$6.06 del Olds	Sep	Grimshaw
Wheat, feed	\$6.06 del Edmonton	Sep	Grimshaw
Wheat, feed	\$5.70 FOB	Sep-Oct	Ferintosh
Wheat, 13% prt	\$6.15 FOB	Sep-Oct	Innisfree
Canola, htd	\$8.44 del Crossfield	Sep	Claresholm
Peas, green	\$8.44 del Innisfail	Sep	Ohaton
Peas, green	\$5.68 FOB	Mar 09	Innisfree
Peas, green	\$9.19 del Innisfail	Oct	Wetaskiwin
Peas, yellow	\$6.91 del Edmonton	Sep	Bonnyville
Peas, feed	\$6.34 FOB	Sep	Innisfree
Peas, feed	\$6.87 del Edmonton	Sep	Falher
Peas, feed	\$6.91 del Edmonton	Sep	Wetaskiwin

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
Barley	September	\$4.29 del Lethbridge
Barley	September	\$4.03 del Olds
Barley	Sep-Oct	\$4.00 del Olds
Barley	Jan-Mar	\$4.19 del Red Deer
Barley	Jan-Mar	\$4.01 del Czar
Barley	Jan-Mar	\$4.51 del Lethbridge
Wheat, 12.5% prt	Sep-Oct	\$6.74 del Red Deer
Wheat, feed	Sep-Dec	\$6.06 del Red Deer
Wheat, feed	Nov-Dec	\$6.17 del Lloydminster
Wheat, feed	Jan-Feb	\$6.63 del Lloydminster
Peas, green	October	\$9.36 del Innisfail
Peas, yellow	October	\$6.74 del Innisfail
Rye, milling	Sep-Oct	\$6.04 del Lethbridge
Rye, feed	October	\$4.51 del Red Deer
Canola	September	\$10.56 del Lloydminster
Canola	Sep-Oct	\$10.69 del Edmonton
Canola	October	\$10.44 del Lloydminster
Canola	December	\$10.82 del Lloydminster
Canola	January	\$10.88 del Fort Sask
Canola	January	\$10.93 del Lloydminster
Canola	March	\$11.33 del Fort Sask
Oats, organic	Sep-Dec	\$6.69 del Barrhead
Oats, feed	Sep-Oct	\$2.95 del Fort Macleod
Oats, #2CW	Sep-Oct	\$2.95 del Coaldale
Oats, milling	November	\$2.53 del Martensville
Oats, milling	January	\$2.94 del Martensville
Oats, milling	Jan-Mar	\$2.59 del Dawson Creek
Oats, organic	Jan-Mar	\$6.94 del Barrhead
Oats, milling	March	\$2.98 del Martensville
Oats, #2 CW	March	\$3.39 del Edmonton
Oats, #2CW	April	\$3.44 del Edmonton
Oats, milling	July	\$3.16 del Martensville

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (OCT)	\$102.15	\$102.95	↓ (\$0.80)
CME Live Hogs (OCT)	\$66.10	\$69.43	↓ (\$3.33)
CDN Dollar (SEP)	\$0.94	\$0.94	↑ \$0.00
Minneapolis Wheat (SEP)	\$7.03	\$7.29	↓ (\$0.26)
Kansas City Wheat (SEP)	\$7.38	\$7.73	↓ (\$0.35)
Chicago Oats (SEP)	\$3.17	\$3.27	↓ (\$0.10)
Diesel (spot, Edmonton)	\$1.16	\$1.17	↓ (\$0.01)
Crude/Oil (OCT)	\$101.25	\$106.00	↓ (\$4.75)

Alberta Agriculture's Crop Report

The past two weeks saw a return to cooler, more seasonal temperatures across the province accompanied by light precipitation.

Harvest operations have been slow to get underway as crop development in most regions continues to run 10 – 14 days later than average and are entering a period of extreme frost risk.

Currently, approximately 7.5% of the crops in the province have been harvested with a further 20% in the swath. Harvest to date has been principally winter cereals and field peas. Most crops are a minimum of 10% – 15% swathed with canola at 45% swathed.

Provincial yield projections remain very much in line with the projections of July 31st.

Alberta Agriculture

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FutureSim

**December 8 through 11, 2008, Leduc
\$200 per person, limited to 20 people**

You've all had the privilege of reading Neil Blue's marketing comments in Grainwise. Now, you can attend FutureSim this December, taught by Neil. I attended FutureSim myself about 10 years ago and found it an invaluable marketing course. FutureSim is an interactive marketing course to instruct you in the basics of futures, options, basis, and cash grain marketing. To register:

Neil Blue (780) 853-8239, neil.blue@gov.ab.ca