

At Market Master

By Shelley Wetmore

May 1, 2009.....

You may wonder when reviewing "At the Bin" how we're managing to obtain some of the sought-after grain prices—especially those for barley. Take a moment to thank your local trucker who'll soon be extremely busy with fertilizer hauls. With fertilizer hauls, comes back-hauls. Take, for example, the price for barley a producer received in Legal ... \$3.00 at the bin. That was the producer's target price or GPO. Without a backhaul, the price would be more in the range of \$2.70 at the bin. The producer would not have sold at that level and the buyer would not have received the barley. So, thank you to our grain haulers. By the way, a complete list of our preferred grain haulers is on the website or call the office for a brochure.

Canola, whether spot or for fall, continues to be attractive. Don't forget to do a little old crop and new crop marketing while seeding. The \$10 mark can even be reached now in 2010.

Personal note: Camping season, which I absolutely look forward to, is right around the corner (like next weekend) and I'm asking if anyone has access to firewood to purchase within an hour or so of the city. I refuse to be extorted this summer by campsite operators so please phone or email me with suggestions. Muchly appreciated.

Seeding IS underway!

Watching ICE

Your weekly closing ICE futures \$/MT

Canola	This Week	Last Week	Diff +/-
Jul 09	\$450.30	\$448.40	↑ \$1.90
Nov 09	\$453.20	\$451.40	↑ \$1.80
Jan 10	\$457.40	\$455.40	↑ \$2.00
Mar 10	\$459.90	\$457.90	↑ \$2.00
May 10	\$462.00	\$459.90	↑ \$2.10
Jul 10	\$464.00	\$461.90	↑ \$2.10
Barley	This Week	Last Week	Diff +/-
Jul 09	\$150.00	\$147.00	↑ \$3.00
Oct 09	\$160.00	\$156.00	↑ \$4.00
Dec 09	\$158.00	\$158.00	⇒ \$0.00
Mar 10	\$158.00	\$158.00	⇒ \$0.00
Oct 10	\$158.00	\$158.00	⇒ \$0.00

Be Grainwise!

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

US Grain

Soy Complex

After Monday's steep decline due to the Swine Flu scare (see Strategies), JUL beans recovered nicely to close the week 57 cents higher at \$10.91/bu while meal sailed \$23.70 higher to \$342/t. JUL oil closed up 1.05 cents/lb to 37.75 cents/lb.

Estimates for Argentinean bean production continue to fall. The number making the rounds this week was 34 mmt which is a far cry from the initial USDA prediction of 43 mmt. Continuing problems with getting product to port is also preventing Argentina from fulfilling its usual role this time of year as destination of choice.

Instead, buyers (and in particular China) continue to source product from the US. This week's export total reflected that fact coming in at 834,600 mt which is 8 times what's needed on a weekly basis to meet USDA annual sales projection.

Forecasts for additional rain the US Midwest gave beans an additional shot in the arm as we closed out the week.

Corn

Corn also had a solid week with JUL closing 28 cents higher at \$4.13¾/bu.

Wet weather is hampering planting efforts in many areas of the corn belt and, with forecasts for more rain next week, futures rallied.

A strong weekly export figure of 1.225 mmt also buoyed the market.

Wheat

Surprisingly, wheat joined the march higher with JUL CBOT futures rallying 26¾ cents to \$5.70/bu while KCBT posted a gain of 21¼ cents to \$6.14¾/bu. JUL MGE wheat fared best of all soaring 33¾ cents to \$6.84¾/bu.

Weekly sales were disappointing at just 142,400 mt but still more than what's needed on a weekly basis to meet current USDA projections.

The big driver is the lack of seeding progress for spring wheat in the Northern Plains states. Next Monday's planting progress report is expected to show less than 4% of the wheat crop in

the ground. There's increasing concern that some of those acres will never be seeded to wheat and will go into an alternate crop.

Canadian Grain

Oilseeds

In contrast to the soybean market, JUL canola's performance looks anemic, climbing just \$1.90 to \$450.30/MT.

The soaring Canadian dollar, now trading over 84 cents, has taken a lot of the punch out of this week's rally.

The higher dollar is also hurting crush margins although crushers remained steady buyers. Routine sales to Japan and Mexico were supportive, however, a pickup in farmer selling muted some of that positive influence.

Feedgrain

JUL barley futures closed \$3.00/MT higher to \$150.00/MT. Cash bids remained steady to slightly firmer with producers now shifting their focus towards producing next year's crop rather than selling last year's.

Green edible pea bids are marching higher while yellow edibles are largely unchanged. Shop around.

Funds for Ag Producers

The Governments of Canada and Alberta have signed off on a \$273 million investment to give Alberta farmers stable, bankable programs and to make key investments in innovation and marketing. Categories include: Bio-Security, Business Management Tools, Energy Efficiency, Food Safety, Entrepreneur Development, Livestock Welfare, Stewardship Plans, and more.

www.growingforward.alberta.ca



"Your grain watchdog."

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Strategies

*A Farmer's Perspective ... by John Stewart, Galahad, Alberta,
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Traders Swindled by Swine Flu?

At the close of trade last week, market bulls were starting to feel pretty good. Soybean demand remained strong while estimates of Argentinean production continued to fall. Excessive rain in much of the Midwest was hindering corn planting and, with more rain in the forecast, futures were almost assuredly set to rise. Even wheat futures, which have the worst fundamentals, seemed ready to tag along on the coattails of beans and corn—especially with the slow pace of spring wheat plantings in the US Northern Plains.

However ... traders were blindsided Monday morning by the swine flu, now officially called the H1N1 virus. The name was changed at least partly due to pressure brought by US pork producers. A quick look at a MAY lean hog chart will show how devastating this news was for hog producers. As irrational as it may seem, large segments of the public shunned the consumption of pork for fear of catching the dreaded “swine flu” virus. Even some countries closed their borders to the importation of North American hogs.

In the larger scheme of things, some feared if this virus were to become truly devastating on a global basis, it could be the catalyst to push a fragile world economy over the edge, drastically reducing the demand not only for pork but for grains as well.

This may have been alarmist thinking but when trading opened Monday morning traders were inclined to sell first and ask questions later. The result was sharply lower markets across the board. Fortunately, as the week wore on, cooler heads prevailed and buyers once again surfaced as the bullish fundamentals hadn't really changed. However, even if we can put the H1N1 virus scare behind us (and that isn't at all certain yet), it shows just how quickly market sentiment can change. It also demonstrates how difficult it is to predict the market particularly in the short to medium term.

No One Can Predict the Market

There was a recent study which showed that even among top analysts, the accuracy rate at predicting market direction was just slightly over 50%. That's pretty much the same as flipping a coin. It's also probably why an increasing number of analysts are reluctant to predict market direction in conjunction with a specific time frame.

Now, the upshot of all this is not to run down market analysts—after all, we're ALL market analysts of sort and the information the top analysts bring to the table can be very useful. My point is no one—and I mean no one—can consistently predict market direction. It's also why it's important for every farm manager to have a marketing plan which takes their cost of production into account and emphasizes scale up selling. In any market, particularly in markets as volatile as these, discipline usually wins the day.

Classifieds

Equipment: 28' Bourgault air seeder, model FH528-34 with 2115 tank, 2" seeding spoons, very good condition. \$15,000 OBO. Call Jason Megli @ (780) 878-4253 cell or (780) 877-2374 home, Ferintosh.

Equipment: 2006 Seed Hawk 50' with 12" spacing, c/w 2006 Bourgault 6350 tow between Air Tank, excellent condition. Asking \$148,000 OBO. Kent at Erickson Agro, Irma, at (780) 336-5509.

Certified seed. Jamie @ Victoor Seed Farm, St. Albert, (780) 914-6027.

Certified AC Foremost CPSR wheat	\$ 9.75/bu
Certified AC Superb CWRS wheat	\$ 10.25/bu
Certified CDC Copeland malt barley	\$ 7.75/bu
Certified Ponoka 2R feed barley	\$ 6.50/bu
Certified Conlon 2R S Awn feed barley	\$ 6.50/bu

Certified seed. Ed Lefsrud (780) 336-6700 or Kevin Lefsrud (780) 336-5700, Viking. AC Metcalf malt barley, AC Splendor CWRS, Snowbird CWHW, Flanders and Hanly flax, Cutlass yellow peas.

Certified seed. Todd Clark, Tribend Ranch, Edmonton, (780) 499-5060.

Certified AC Foremost CPSR wheat	\$10.00/bu
Certified Superb CWRS wheat	\$11.00/bu
Certified AC Andrew CWSWS wheat	\$10.00/bu

Certified seed. Call Don Gibson Seeds, Sangudo, (780) 785-2588 or (780) 785-2214.

Certified Sundre barley	\$6.25/bu
Certified Ponoka barley	\$6.50/bu

Certified seed. Dave @ Bright's Seeds, New Norway, (780) 855-2240, briseed@mailhub.ca

Certified CDC Copeland barley	\$8.25/bu
Certified CDC Cowboy barley	\$7.50/bu
Certified CDC Coalition barley	\$8.50/bu
Certified AC Crystal wheat	\$10.00/bu
Certified Harvest wheat	\$11.75/bu

Common seed oats. 96% germination, Dennis in Lac La Biche at (780) 623-7709.

Common seed oats. Kevin, Two Hills, (780) 657-2477.

Common yellow pea seed. 99% germination, \$9.00/bu rough, picked-up in Morinville, contact Mike @ (780) 719-0334.

Common oats and wheat seed. Craig Ference, Kirriemuir, (780) 753-1283.

Grazing School for Women

- Beef grading and taste test challenge
- Alternative energy for the farm
- Weed identification & control
- Dormant season grazing tour
- Pest & predator Control

June 10 - 11. Registration is \$60 before May 22 and \$75 afterwards. To be held in Smoky Lake, Alberta, Pioneer Bible Camp. Includes dinner and evening musical guest, Darcy Hjelsvold from 'Ain't No Rodeo'. For more information or to register contact Jenifer Heyden @ 780-582-7308.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	\$3.00 FOB	May	Vegreville
Barley, 48 lb	\$2.90 FOB	May	Beauvallon
Barley, 50 lb	\$3.01 FOB	Apr-May	Rollyview
Barley, 50 lb	\$3.01 FOB	Apr-May	St. Albert
Barley, 50 lb	\$3.01 FOB	Apr-May	Donalda
Barley, 50 lb	\$3.00 FOB	May	Donalda
Barley, 50 lb	\$3.01 FOB	May	Donalda
Barley, 50 lb	\$3.00 FOB	May	Legal
Barley, 50 lb	\$3.00 FOB	May	Vermilion
Barley, 50 lb	\$3.00 FOB	May	Leduc
Barley, 50 lb	\$3.00 FOB	May	Bruce
Barley, 51 lb	\$3.00 FOB	May	Ohaton
Barley, 52 lb	\$3.00 FOB	May	Westlock
Barley, 52 lb	\$3.00 FOB	May	Beaumont
Barley, 52 lb	\$3.00 FOB	May	Leduc
Barley, 52 lb	\$3.10 FOB	May	Lousann
Barley, 54 lb	\$3.01 FOB	May	Millet
Barley, 56 lb	\$3.00 FOB	Apr-May	Donalda
Wheat, feed	\$4.51 FOB	May	Gwynne
Wheat, feed	\$4.70 del Edmonton	June	Onoway
Wheat, feed	\$4.81 FOB	May	Bashaw
Wheat, feed	\$5.00 FOB	May	Redwater
Wheat, feed	\$4.70 del Edmonton	Apr	Paradise Hill
Wheat, feed	\$4.50 FOB	May	Warburg
Peas, green	\$8.65 FOB	Apr-May	Camrose
Peas, green	\$6.60 FOB	May	Heisler
Peas, green	\$6.45 FOB	May	Mannville
Oats, feed	\$1.65 del Barrhead	Apr	Athabasca
Oats, feed	\$1.90 FOB	May	Elk Point
Oats, feed	\$2.00 FOB	May	Leduc
Oats, milling	\$1.75 FOB	May	Consort
Oats, milling	\$2.18 del Barrhead	May	Westlock
Canola	\$9.79 del Edmonton	Nov	Barrhead

Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	May	\$2.99 del Mayerthorpe
Barley	May	\$3.49 del Lethbridge
Barley	May-Jun	\$2.99 del Kirriemuir
Wheat, feed	May	\$4.84 del Olds
Wheat, feed	May-Jun	\$4.84 del Red Deer
Wheat, 12.5% prt	May-Jun	\$5.25 del Red Deer
Wheat, 12.5% prt	May-Jun	\$4.84 FOB Wetaskiwin
Wheat, feed	June	\$4.70 del Lloydminster
Wheat, feed	June	\$4.70 del Edmonton
Peas, yellow	May-Jun	\$6.25 del Innisfail
Peas, green	May-Jun	\$9.00 del Innisfail
Peas, green 10% bleach	May-Jun	\$8.40 del Innisfail
Peas, green 20% bleach	May-Jun	\$7.94 del Innisfail
Peas, yellow	Aug-Oct	\$5.50 del Innisfail
Peas, green	Aug-Oct	\$7.00 del Innisfail
Rye, feed	May-Jun	\$4.26 del Red Deer
Triticale, feed	May-Jun	\$3.95 del Red Deer
Canola	June	\$10.15 del Lloydminster
Canola	June	\$10.29 del Edmonton
Canola	July	\$10.15 del Lloydminster
Canola	July	\$10.36 del Edmonton
Canola	October	\$9.89 del Edmonton
Canola	November	\$9.88 del Edmonton
Canola	November	\$9.94 del Lloydminster
Canola	November	\$9.82 del Joffre
Canola	December	\$10.09 del Lloydminster
Canola	January 10	\$9.98 del Edmonton
Canola	April 10	\$10.09 del Edmonton
Oats, feed	May	\$2.22 del Linden
Oats, #2 CW	May	\$2.09 del Lethbridge
Oats, feed	May	\$1.94 del Grande Prairie
Oats, milling	June	\$2.06 del Barrhead
Oats, milling	October	\$2.05 del Martensville
Oats, milling	October	\$1.98 del Barrhead
Oats, milling	January 10	\$2.16 del Martensville
Oats, milling	January 10	\$2.09 del Barrhead
Oats, milling	March 10	\$2.21 del Martensville
Oats, milling	March 10	\$2.14 del Barrhead

Seeding is underway!

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (JUN)	\$82.10	\$82.65	↓ (\$0.55)
CME Live Hogs (JUN)	\$65.50	\$71.70	↓ (\$6.20)
CDN Dollar (JUN)	\$0.85	\$0.83	↑ \$0.02
Minneapolis Wheat (JUL)	\$5.70	\$5.44	↑ \$0.26
Kansas City Wheat (JUL)	\$6.14	\$5.93	↑ \$0.21
Chicago Oats (JUL)	\$2.07	\$2.02	↑ \$0.05
Diesel (spot, Edmonton)	\$0.66	\$0.67	↓ (\$0.01)
Crude/Oil (JUN)	\$53.00	\$51.30	↑ \$1.70

Grain Watchdog

WANTED: Smart, ambitious person to join the "grain watchdog" team as a grain marketing representative. Must have common sense, pay attention to detail, enjoy talking with grain producers, and demonstrate a real, caring concern about agriculture. Send resumes to: shelley.wetmore@shaw.ca