

At Market Master

By Shelley Wetmore

May 8, 2009.....

At last, a glimmer of light with milling oats—prices are finally at a level where producer's won't just close the bin door and walk away. Saying that, I have to point out a significant psychological factor here. Today, for example, especially in particular geographical locations, if a producer was to receive \$2.00 at the bin for oats, he would sell in a minute because between high yields and lower inputs the actual return is still acceptable. If you review the fall examples I put together (read further in Grainwise), there are some areas that can lock-in the \$2.00 range for October. That could settle bin space issues and deal with payment or interest schedules. On the other hand, the big question remains, will the price go higher? Many factors say to me it will but it's not a guarantee. Remember the last time, milling oats hit \$4.00 then quickly dropped to levels below \$2.00 in a matter of months. Don't forget—a small portion of your crop can be priced for other reasons than just price.

Personal note: Bowling update ... my team mate and I went from "heroes to zeroes". Last year we placed about 5th out of 90 teams, this year we dropped to around 80th. I think I through the ball 180 times on Sunday alone! Sometimes, I'm just not in the zone

Watching ICE

Your weekly closing ICE futures \$/MT

Canola	This Week	Last Week	Diff +/-
Jul 09	\$466.20	\$450.30	↑ \$15.90
Nov 09	\$460.40	\$453.20	↑ \$7.20
Jan 10	\$464.50	\$457.40	↑ \$7.10
Mar 10	\$466.60	\$459.90	↑ \$6.70
May 10	\$469.60	\$462.00	↑ \$7.60
Jul 10	\$472.80	\$464.00	↑ \$8.80
Barley	This Week	Last Week	Diff +/-
Jul 09	\$154.00	\$150.00	↑ \$4.00
Oct 09	\$160.00	\$160.00	→ \$0.00
Dec 09	\$156.00	\$158.00	↓ (\$2.00)
Mar 10	\$156.00	\$158.00	↓ (\$2.00)
Oct 10	\$156.00	\$158.00	↓ (\$2.00)

Be Grainwise!

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

US Grain

Soy Complex

Despite rumours Chinese purchases of US soybeans may dry up, JUL beans surged 20½ cents to \$11.11½/bu and oil shot up 1.86 cents to 39.61 cents/lb. JUL meal, though, settled 50 cents lower at \$341.50/t. While the Chinese rumour caught the market off-guard, it was quickly discounted as there's no sign that Chinese interest is waning.

That was illustrated in this week's export figures which came in at a strong 775,400 mt. Shrinking production estimates from Argentina were also supportive.

There WAS some negative news. The slow planting pace is leading many to speculate that more acres than originally thought will wind up in beans. Soggy conditions, particular in the Eastern corn belt, have some producers rethinking planting plans.

Friday, Informa issued their projected planting report and their numbers reflected the new reality with bean acres rising from 76 mln acres in their March report to 78.3 mln acres. The entire increase came at the expense of corn.

Corn

Planting delays are keeping corn markets well supported with the JUL climbing 7¼ cents to \$4.21/bu. Informa's report pegged this year's corn acres at 83.9 mln acres, slicing 1.1 mln acres off their last report.

While producers still hope to get corn planted, they're looking at earlier varieties which don't have the same yield potential as later varieties. Corn yields could drop 1 bu/ac per day on any corn planted after May 15.

While weekly sales were on the low side of expectations at just 611,100 mt.

Wheat

Although weekly exports remain less than thrilling, wheat futures have shown some spunk (see Strategies). This week's activity had the JUL CBOT up 21 cents at \$5.91/bu while KCBT climbed 18¼ cents to \$6.33/bu. MGE wheat rose 15¼ cents to \$7.00/bu.

Friday's StatsCan report showed wheat stocks as of Mar 31st at 15.5 mmt, well below what was anticipated. That did not go unnoticed in Chicago and may have been partly responsible for wheat's strong showing Friday.

What's particularly frustrating for holders of CWB BPC basis contracts is that while futures are rallying, so is the Canadian dollar—negating much of the rise.

Canadian Grain

Oilseeds

JUL canola put in a strong performance, closing \$15.90 higher to \$466.20/MT.

Word of renewed interest from China and Pakistan pushed futures higher as did lack of farmer selling. It's thought that producers who were looking to sell when cash prices hit \$10.00 have already done so and, with seeding underway, interest may subside unless prices really spike.

This morning's StatsCan report showed slightly tighter stocks than many were anticipating which also encouraged buying. However the surging dollar prevented further gains.

Feedgrains

Larger than expected barley stocks, reported by StatsCan, weighed on the market. However, the overall strength in the corn market helped lift JUL barley \$4.00/MT on the week. Cash bids remain largely unchanged.



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Strategies

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

Trouble Brewing in Wheat?

Global Issues

Wheat futures continued their upward trend. Despite plentiful global supplies, wheat is finding strength as production concerns in the US and Argentina are catching traders' attentions.

The drought that's raising havoc with the Argentine soybean crop is also a problem for wheat production.

A combination of dry weather and an ongoing dispute with the Argentine government has many producers scaling back their intended wheat acres. Some plan to seed no wheat at all this year. Some analysts believe this combination of events could result in the smallest Argentinean wheat crop in 100 years!

Now, before you get too excited, remember that Eastern European production is on the rise and may cancel out any market advantage a smaller Argentine crop might produce.

US Issues

Oklahoma farmers may have been right when they said the market was underestimating the amount of damage incurred by this spring's frost. The US Wheat Quality Council's annual tour wrapped up and their conclusion was that Oklahoma producers are set to harvest just 77.4 mln bu compared to last year's 166.5 mln bu. If realized, it would mean an average yield of just 20.3 bu/ac.

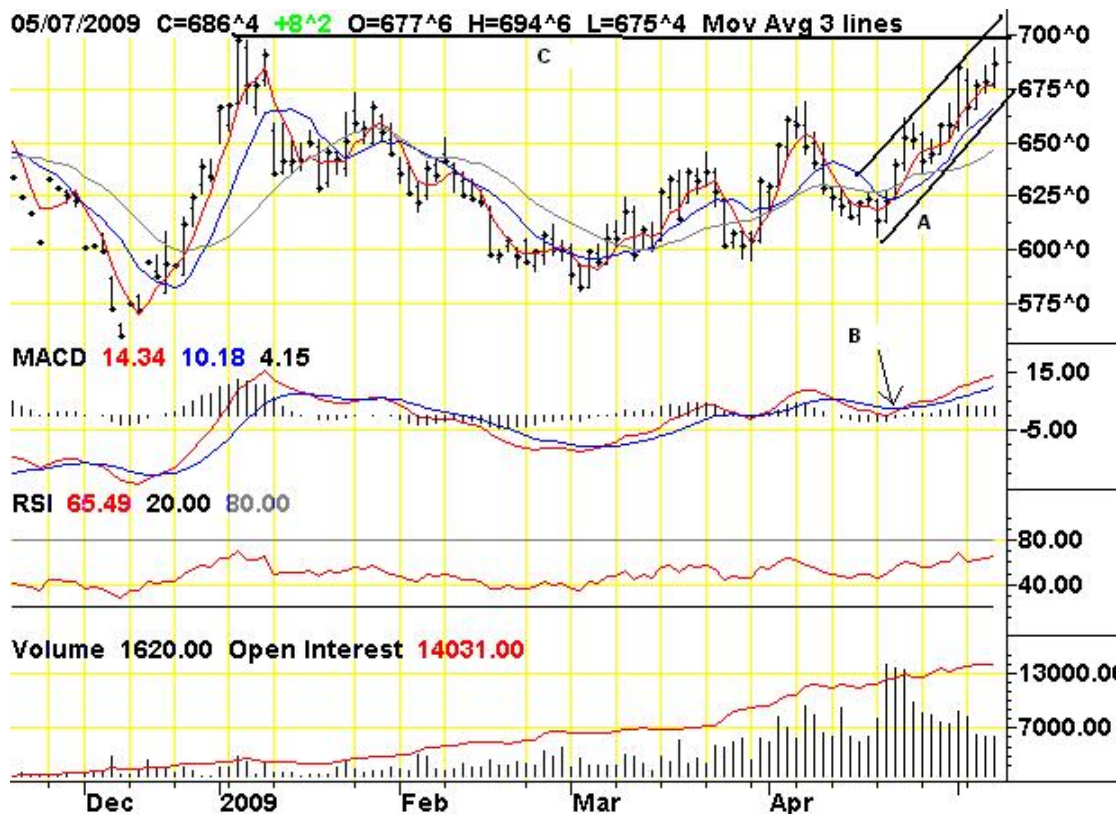
The outlook was better in Kansas, where tour members predicted an average yield of 40.8 bu/ac which would produce a total crop of 333.3 mln bu. However, even these figures are down somewhat from last year's 43.3 bu/ac which produced a crop of 379.1 mln bu.

Although the tour's findings are troubling, it's the lack of seeding progress in the US northern plains that's the trade's focus. As of Monday, the USDA reported just 23% of the total spring wheat crop was in the ground. The average for this time of year is 59%.

Wheat Analysis

From a technical perspective, the JUL MGE wheat chart looks solid. Note the solid uptrend that remains intact "A" despite the sharp price drop suffered on Monday. The MACD is in positive territory with the FMA (fast moving average) line crossing over the SMA (slow moving average) line on April 23rd "B". However, we're closing in on significant resistance in the form of the old contract high "C" established back in early January. A move above this line would be very significant and could encourage further buying. But, with the global fundamentals this market has to deal with, I have my doubts the uptrend can continue without further bullish news or significant support from outside markets.

Charts provided courtesy of TradingCharts.com
www.futures.tradingcharts.com



At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	\$3.01 FOB	May	Thorsby
Barley, 48 lb	\$2.99 del Carrot Creek	May	Hythe
Barley, 48 lb	\$3.00 FOB	May	Morinville
Barley, 48 lb	\$2.90 FOB	May	Thorhild
Barley, 50 lb	\$3.00 FOB	May	Calmar
Barley, 52 lb	\$3.00 FOB	May	Lavoy
Barley, 52 lb	\$2.90 FOB	June	Athabasca
Barley, 52 lb	\$3.00 FOB	May	Edberg
Barley, 52 lb	\$2.90 FOB	May	Boyle
Barley, 53 lb	\$3.01 FOB	May	Morinville
Wheat, feed	\$4.50 FOB	May	Calmar
Wheat, feed	\$5.00 FOB	May	Kinsella
Wheat, 12% prt	\$4.50 FOB	May	Wetaskiwin
Wheat, 12.5% prt	\$4.75 FOB	May	Newbrook
Wheat, 13% prt	\$5.00 FOB	May-Jun	Viking
Peas, green	\$8.25 FOB	May	Worsley
Peas, green	\$9.25 del Innisfail	May	Leduc
Peas, green	\$9.15 del Innisfail	May-Jun	Taylor
Oats, feed	\$2.01 FOB	May	Castor
Oats, feed	\$1.92 FOB	May	Wainwright
Oats, feed	\$1.90 FOB	May	St. Albert

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (JUN)	\$83.00	\$82.10	↑ \$0.90
CME Live Hogs (JUN)	\$68.20	\$65.50	↑ \$2.70
CDN Dollar (JUN)	\$0.87	\$0.85	↑ \$0.02
Minneapolis Wheat (JUL)	\$5.91	\$5.70	↑ \$0.21
Kansas City Wheat (JUL)	\$6.32	\$6.14	↑ \$0.18
Chicago Oats (JUL)	\$2.26	\$2.07	↑ \$0.19
Diesel (spot, Edmonton)	\$0.65	\$0.66	↓ (\$0.01)
Crude/Oil (JUN)	\$57.85	\$53.00	↑ \$4.85

Milling Oats—Finally on the Rise!

This week I saw the first significant increase in the milling oat price for some time. Here are some examples, at the bin:

Area	Jul 09	Oct 09	Mar 10
Edmonton/Vegreville	\$1.90	\$2.06	\$2.25
Athabasca/Bonnyville	\$1.81	\$1.91	\$2.16
Acadia Valley/Cereal	\$1.92	\$2.08	\$2.26
Camrose/Galahad	\$1.87	\$2.03	\$2.22
Vermillion	\$1.93	\$2.09	\$2.28

Yes, I think there IS room for improvement but keep this mind ... these prices are all at the bin. For producers living right next door to the mill, the delivered prices MAY be just enough to entice them to deliver. The delivered prices, to the mill in Saskatoon, for example, are over \$2.30 for October and \$2.50 for March 2010. So, from a psychological point of view, for producers in the immediate area, the price may be enough for quite a few to forward price ...

Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	May	\$3.47 del Lethbridge
Barley	May	\$2.99 del Mayerthorpe
Barley	May	\$3.45 del Lethbridge
Barley	May	\$3.42 del Lethbridge
Barley	May-Jun	\$2.99 del Kirriemuir
Wheat, feed	May	\$4.84 del Olds
Wheat, feed	May-Jun	\$4.92 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 Edmonton
Wheat, feed	Jun-Jul	\$5.00 del Lloydminster
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	\$5.75 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	May	\$10.74 del Edmonton
Canola	June	\$10.63 del Lloydminster
Canola	June	\$10.65 del Edmonton
Canola	July	\$10.51 del Lloydminster
Canola	July	\$10.72 del Edmonton
Canola	October	\$10.00 del Edmonton
Canola	November	\$9.98 del Edmonton
Canola	November	\$10.04 del Lloydminster
Canola	December	\$10.25 del Lloydminster
Canola	January 10	\$10.24 del Edmonton
Canola	April 10	\$10.37 del Edmonton
Oats, milling	June	\$2.06 del Barrhead
Oats, milling	October	\$2.34 del Martensville
Oats, milling	October	\$2.26 del Barrhead
Oats, milling	January 10	\$2.48 del Martensville
Oats, milling	January 10	\$2.40 del Barrhead
Oats, milling	March 10	\$2.53 del Martensville
Oats, milling	March 10	\$2.45 del Barrhead

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

SMALL TOWNS

Those who grew up in small towns will laugh. Those who didn't, will be in disbelief and won't understand how true it is.

1. You can name everyone you graduated with.
2. You know what 4-H means.
3. You went to parties at a pasture, barn, gravel pit, or in the middle of a dirt road. On Monday, you could always tell who was at the party because of the scratches on their legs from running through the woods when the party was busted (see #5).
4. You used to 'drag' Main .
5. You scheduled parties around the schedules of different police officers because you knew which ones would bust you and which ones wouldn't.
6. You could never buy cigarettes because all the store clerks knew how old you were (and if you were old enough, they'd tell your parents anyhow). Besides, where would you get the money?
7. You knew which section of the ditch you would find the beer your buyer dropped off.
8. It was cool to date somebody from the neighbouring town.
9. The whole school went to the same party after graduation.
10. You didn't give directions by street names but rather by references.
11. The golf course had only 9 holes.
12. You couldn't help but date a friend's ex-boyfriend/girlfriend.
13. Your car stayed filthy because of the dirt roads and you will never own a white vehicle for this reason.
14. The town next to you was considered "trashy" or "snooty" but was actually just like your town.
15. You referred to anyone with a house newer than 1955 as the "rich" people.
16. People in the "big city" dressed funny and then you picked up the trend 2 years later.
17. Anyone you wanted could be found at the local gas station or on Main Street.
18. You saw at least one friend a week driving a tractor through town or driving a grain truck to school.
19. The gym teacher suggested you haul hay or pick rock for the summer to get stronger.
20. Directions were given using THE stop light as a reference.
21. When you decided to walk somewhere for exercise, 5 people would pull over and ask if you wanted a ride.
22. Your teachers called you by your older siblings' names.
23. Your teachers remembered when they taught your parents.
24. You could charge at any store or write checks without any ID.
25. There was no McDonalds.
26. The closest mall was over an hour away.
27. It was normal to see an old man riding through town on a riding lawn mower.
28. You've peed in a wheat field.
29. Most people went by a nickname.

You laughed your butt off reading this because you know it is true and you forward it to everyone who may have lived in a small town.

Classifieds

Wanted: Older SuperB, Btrain, or tridum with good tarps, for farm use. Phone Jay Cory @ (780) 826-8758, Ardmore.

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.

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