Grainwise

At Market Master

By Shelley Wetmore

May 22, 2009……………………………..

Thank you to Neil Blue (formerly of AAFRD) for again contributing to Grainwise with market analysis while John Stewart is away seeding.

If you've phoned the office this week, you may have noticed a different voice. Welcome to **Jenny Redshaw**, the newest member of the grain watchdog team. Jenny will have her training wheels on for a bit but she's already relaying grain prices to producers and helping buyers get product at the very last minute. I'm positive many of you are relieved we did NOT add another "Shelley" to the group!

We're looking for milling quality oats, for nearby movement, at a price of $2.35/bu delivered Barrhead. Feed wheat with little or no ergot is also bringing premium deals lately, so send us samples.

For those of you keeping tabs on my camping countdown, I'm 2 for 2 so far when it comes to receiving rain. I'm off to Cross Lake this time, northwest of Westlock, and it looks like more moisture. Thanks again (nudge) to a producer from Lac La Biche with his words of encouragement about bear encounters in that very campsite. If this keeps up, like last year, I will indeed be the rain (not grain) goddess—but expect BIGGER brokerage for that type of divine intervention!

Watching ICE

Your weekly closing ICE futures $/MT

Canola	This Week	Last Week	Diff +/-	
Jul 09	$471.40	$476.80	↓	($5.40)
Nov 09	$474.10	$472.80	↑	$1.30
Jan 10	$480.00	$476.80	↑	$3.20
Mar 10	$482.30	$478.90	↑	$3.40
May 10	$484.30	$481.90	↑	$2.40
Jul 10	$486.20	$483.90	↑	$2.30
Barley	**This Week**	**Last Week**	**Diff +/-**	
Jul 09	$154.80	$152.80	↑	$2.00
Oct 09	$164.20	$160.10	↑	$4.10
Dec 09	$160.20	$156.10	↑	$4.10
Mar 10	$160.20	$156.10	↑	$4.10
Oct 10	$160.20	$156.10	↑	$4.10

Be Grainwise!

By Guest Columnist … Neil Blue, Grain Marketing Specialist

US Grain

US grain markets initially had follow-through weakness from last Friday's lower close. However, by week's end, grain markets were higher, partly due to a sharp move lower in the US dollar which tends to support US exports.

Soybeans

Monday's crop progress report showed 25% of beans were planted, the same as last year, but well below the 5-year average of 44%. Planting progress in Illinois and Indiana was notably behind at only 1% and 6% respectively, compared to 50% on average.

After price weakness in Sunday night trade, beans rallied to new highs, supported by speculative buying, tight bean stocks, a rally in crude oil prices, a drop in the US dollar, and concerns a recovering economy would lead to commodity price inflation.

JUL beans gained 36 cents to $11.66/bu, while NOV futures gained 55 cents to close at $10.32. NOV's price gain on JUL reversed a trend in place for the last few weeks.

The premium of old crop to new crop price (termed an "inverse") is reflecting the extremely tight old crop supply-demand situation. That is, the market has been trying to curtail relative demand for old crop supplies with the higher price.

Despite that situation, soybean export sales were strong with China the biggest buyer—they imported 3.7 million tonnes of soybeans during April, up 55% from last April. As a result of continuing strong export demand, some private analysts are now calling for an even tighter old crop soybean carryover than projected in last week's USDA report.

The greater gains for the NOV verses JUL bean contract this week were partly due to position rolling by speculators. However, it may also reflect the realization that new crop supplies could also be tight, considering reduced available supplies from Argentina for export into the fall. Premium prices and volatile price action will continue until the outcome of the northern hemisphere crops are better known.

JUL soyoil gained a modest 20 points to close at 38.10 cents, and JUL meal gained $17.00/t to $375, the highest weekly close since August.

Corn

Due to continuing wet conditions in the eastern corn belt, the corn crop was only 62% planted as of last Sunday, even slower than last year's 70%, and way behind the 5-year average of 85%. Statistics show that delayed planting after mid-May increasingly has a negative impact on average corn yields.

Corn exports this week were below trade expectations but are still on target to hit USDA export projections for this crop year. Rapid planting progress and crop development could still suppress the rally in corn prices, as happened in June last year. However, there's a lot of weather market ahead yet. This is a long weekend in the US and Tuesday's market action will reflect updated ideas about weather and seeding progress.

JUL corn gained 13 cents to close at $4.30/bu. DEC corn gained 14 cents to $4.52. The next resistance level for DEC corn is $4.72, then at $5.00.

Wheat

Egypt, a major wheat buyer on the world market, quarantined a shipment of Russian wheat due to quality concerns. That issue, along with the weakening US dollar, were supportive to US wheat prices. US spring wheat seeding is expected to progress quickly as fields are drying out.

JUL CBOT gained 35 cents and JUL Kansas City wheat gained 30 cents. Minneapolis wheat rallied further with the JUL up 40 cents to $7.45/bu and new crop DEC up 41 cents to $7.49/bu. This could be a pricing opportunity for wheat!

Canadian Grain

Oilseeds

Canola futures were supported by the continued US oilseed price rally and frosty weather across the Canadian Prairies but offset by the relative weakness of oil verses meal and by the rapid rise in the Canadian/US dollar.

JUL canola lost $5.40/MT to close at $471.40. NOV canola closed at $474.10, up $1.30. Old crop basis levels are still positive for most of Alberta, and new crop basis levels are near average. Farmer deliveries are likely to increase when seeding is completed.

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Feedgrain

Lethbridge cash barley prices are quoted at $165.00/MT, down $5.00 from last Friday.

Over the week, JUL barley gained $2.00/MT to close at $154.80, while new crop OCT barley closed $4.10 higher at $164.20. Ample supply continues to restrain domestic feed barley prices.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	$3.01 FOB	June	Camrose
Barley, 48 lb	$3.10 FOB	May-Jun	Donalda
Barley, 48 lb	$3.00 FOB	May	Millet
Barley, 50 lb	$3.01 FOB	May-Jun	Radway
Barley, 50 lb	$3.03 FOB	May	Meeting Creek
Barley, 50 lb	$3.00 FOB	May	Fort Saskatchewan
Barley, 50 lb	$3.23 FOB	May	Ferintosh
Barley, 50 lb	$2.80 FOB	June	Grassland
Barley, 50 lb	$3.23 del Ponoka	May	Thorhild
Barley, 50 lb	$3.05 FOB	May-Jun	Millet
Barley, 54 lb	$3.05 FOB	May-Jun	Millet
Wheat, feed	$4.35 FOB	May-Jun	St. Michael
Wheat, feed	$4.65 FOB	May-Jun	Bashaw
Wheat, feed	$4.70 del Edmonton	June	High Prairie
Wheat	CWB Contract	May	St. Paul
Peas, yellow	$5.80 FOB	May-Jun	Vermilion
Peas, green	$8.65 FOB	May	Leduc
Peas, green	$9.25 FOB	May	Leduc
Peas, green	$9.50 del Innisfail	May	Leduc
Peas, feed	$5.87 del Irma	Jun-Jul	Wainwright
Oats, feed	$1.79 FOB	May-Jun	Castor
Oats, milling	$2.12 FOB	May	Mundare
Oats, milling	$2.07 FOB	May	St. Paul
Canola	$4.94 under JAN del Edmonton	Jan 10	Boyle

"The current supply/demand outlook for corn provides little reason to expect a major price advance or decline into the new season. However, outside forces such as the weak dollar, the return of fund money to commodities, and ever expanding Chinese demand are supporting a more bullish outlook. ***When markets respond to forces not directly related to supply/demand, it is advisable to rely more heavily on technical indicators rather than fundamental analysis."***

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Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	May	$3.25 del Castor
Barley	June	$3.36 del Lethbridge
Barley	June	$3.42 del High River
Barley	June	$3.49 del Lethbridge
Barley	Sep-Nov	$3.01 del Mayerthorpe
Wheat, feed	June	$4.92 del Red Deer
Wheat, 12.5% prt	June	$5.25 del Red Deer
Wheat, 12.5% prt	June	$4.97 FOB Wetaskiwin
Wheat, feed	June	$4.70 del Edmonton
Wheat, feed	Jun-Jul	$5.06 del Lloydminster
Peas, yellow	May-Jun	$6.25 del Innisfail
Peas, green	May-Jun	$9.50 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	June	$4.26 del Red Deer
Triticale, feed	June	$3.95 del Red Deer
Canola	June	$10.70 del Lloydminster
Canola	June	$10.77 del Edmonton
Canola	June	$10.81 del Crossfield
Canola	June	$10.73 del Lacombe
Canola	October	$10.24 del Lloydminster
Canola	October	$10.47 del Edmonton
Canola	October	$10.53 del Crossfield
Canola	October	$10.43 del Lacombe
Canola	December	$10.60 del Lloydminster
Canola	December	$10.60 del Edmonton
Canola	December	$10.69 del Crossfield
Canola	December	$10.63 del Lacombe
Oats, feed	May-Jun	$2.33 del Pincher Creek
Oats, milling	June	$2.35 del Barrhead
Oats, milling	June	$2.17 del Martensville
Oats, milling	October	$2.43 del Martensville
Oats, milling	October	$2.35 del Barrhead
Oats, milling	January 10	$2.58 del Martensville
Oats, milling	January 10	$2.50 del Barrhead
Oats, milling	March 10	$2.63 del Martensville
Oats, milling	March 10	$2.55 del Barrhead

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (JUN)	$82.55	$82.38	$0.17
CME Live Hogs (JUN)	$65.96	$66.53	($0.57)
CDN Dollar (JUN)	$0.89	$0.85	$0.04
Minneapolis Wheat (JUL)	$6.12	$7.05	($0.93)
Kansas City Wheat (JUL)	$6.60	$6.30	$0.30
Chicago Oats (JUL)	$2.49	$2.28	$0.21
Diesel (spot, Edmonton)	$0.67	$0.65	$0.02
Crude/Oil (JUL)	$61.05	$56.34	$4.71