

At Market Master

By Shelley Wetmore

November 7, 2008.....

Prices remain relatively flat. One thing I'd continue to watch is canola basis levels. Anything in the \$10 range in central Alberta, for example, would be a good opportunity to lock-in. A word of caution (see "At The Bin"), heated canola IS popping up. What's worse than \$9.00/bu canola? Canola that's been heated. Check your bins. Like I always say, "Birds warming their feet on top of your bin is NOT a good sign!" Move it around.

On other thing to watch is the price of human consumption peas. While they were holding steadfast for sometime, prices are slipping. Many buyers are below the \$6.00/bu mark.

The biggest decision to make is which commodity to move at it's "new" price. Which one is likely to experience the biggest gain later—IF it recovers ...

Watching ICE

Your weekly closing ICE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Nov 08	\$425.70	\$413.30	↑ \$12.40
Jan 09	\$429.70	\$420.70	↑ \$9.00
Mar 09	\$439.20	\$429.60	↑ \$9.60
May 09	\$448.60	\$438.60	↑ \$10.00
Jul 09	\$457.60	\$445.20	↑ \$12.40
Nov 09	\$471.40	\$455.30	↑ \$16.10
Barley	This Week	Last Week	Diff +/-
Dec 08	\$169.40	\$171.00	↓ (\$1.60)
Mar 09	\$178.00	\$181.00	↓ (\$3.00)
May 09	\$183.30	\$186.50	↓ (\$3.20)
Jul 09	\$184.30	\$187.50	↓ (\$3.20)
Oct 10	\$184.30	\$187.50	↓ (\$3.20)



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Be Grainwise!

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

US Grain

Soy Complex

Outside influences (lower crude oil prices, rise in the US dollar) played significant roles in pressuring the soy complex this week. Short-covering ahead of Monday's USDA crop production report lent light support but the trend for the week (with the exception of soyoil) was lower.

JAN beans slipped 12 cents to \$9.21/t while DEC meal dipped \$1.30 lower to \$271.70/t. DEC oil, however, inched .3 cents higher to 33.90 cents/lb.

There's consensus that Monday's report will be friendly to beans following the "updated" report we received a couple of weeks ago where bean acres were adjusted lower but—that bullish news is already priced into the market. We could be setting ourselves up for a disappointment if the USDA fails to provide the figures that market is now looking for. Weekly exports were at a robust 894,600 mt which was supportive.

Corn

Corn failed to hold last week's gain and returned to test the support levels outlined in last week's **Strategies**.

DEC corn slid 26 cents lower to \$3.75½/bu. Unlike beans, many traders expect Monday's USDA report to indicate US farmers have again produced an ample corn crop, despite trying weather conditions.

Low wheat prices threaten to replace corn in US feed rations and the high US dollar may be a drag on exports as well.

A disappointing weekly export figure of 471,300 mt simply lent credence to that sentiment. Light support came from the fact that South Dakota is experience severe blizzard conditions while portions of the corn crop remain in the field.

Wheat

DEC CBOT wheat futures skidded

another 15¼ cents to \$5.21/bu while KCBT wheat gave up a dime to settle at \$5.63/bu. MGE wheat fell 7½ cents to \$6.40/bu.

Weekly exports of 379, 300 mt were mid-range of pre-report estimates. However, the overall export picture remains strong. The USDA has estimated the U.S. will export 1 bln bu this year. Just 21 weeks into the wheat marketing year, over 70% of that total is already on the books. There's also word Australian officials are paring back earlier production figures as weather concerns continue to eat away at projected yields.

Canadian Grain

Oilseeds

Despite a surge in the our dollar, JAN canola scampered \$8.30 higher to \$429.00/MT.

The relative strength of the vegoil market and rumours of new export business pushed futures higher as did lack of farmer selling and a late round of short-covering ahead of the weekend and next Tuesday's market closure due to Remembrance Day. Continuing to hang over this market is the idea that Canadian producers continue to sit on a record crop.

Feedgrain

DEC barley dipped \$2.00 lower to \$169.00/MT in sympathy with losses in corn. Buyers have turned indifferent with plentiful barley supplies across the prairies. On the other hand, sellers are in no hurry to push product out the door. The result? A stagnant market.

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (DEC)	\$92.80	\$92.70	↑ \$0.10
CME Live Hogs (DEC)	\$55.40	\$54.80	↑ \$0.60
CDN Dollar (DEC)	\$0.84	\$0.83	↑ \$0.01
Minneapolis Wheat (DEC)	\$5.21	\$5.36	↓ (\$0.15)
Kansas City Wheat (DEC)	\$5.68	\$5.73	↓ (\$0.05)
Chicago Oats (DEC)	\$2.34	\$2.31	↑ \$0.03
Diesel (spot, Edmonton)	\$1.09	\$0.96	↑ \$0.13
Crude/Oil (NOV)	\$61.04	\$67.81	↓ (\$6.77)

Strategies

A Farmer's Perspective ... by John Stewart, Galahad, Alberta,

It's been an exciting week in the US with the election of Barack Obama as the first American black president. While his election may have been historic, grain traders are more interested in how his policies down the road may affect grain markets.

Obama's agricultural policies were hardly front and center during the campaign but he does have initiatives planned for US producers:

- ◆ set a government program payment limit at \$250,000.00 per producer and tighten up any "loopholes.
- ◆ ban packer ownership of livestock. However, somewhat disconcerting for Canadian livestock producers, he's been a big proponent of the COOL program which requires country of origin labeling for meat products.
- ◆ support for beginning and organic farmers.
- ◆ reopen NAFTA treaties to

negotiate better terms for the US. While this may sound good to prospective voters the reality is that it's much easier said than done. I have a feeling it's something that will be put on the back burner once he gets into office.

- ◆ most important for grain producers is his outspoken support for ethanol production which includes both grain and cellulose based production.

Obama's biggest contribution to agriculture would be an improvement in the economy in general. This last year has amply demonstrated the interdependence between all markets and it's unlikely agricultural commodities are likely to see any sustained rallies until confidence is restored in the overall global economy. It's my belief that when that confidence begins to build once again, it will begin in the US.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	\$3.92 del Lakeside	Nov	Oyen
Barley, 48 lb	\$3.58 FOB	Nov	Olds
Barley, 48 lb	\$3.53 del Wainwright	Nov	Vermilion
Barley, 50 lb	\$3.51 FOB	Nov	Donalda
Barley, 50 lb	\$3.51 FOB	Nov-Dec	Morinville
Barley, 50 lb	\$3.51 FOB	Nov-Dec	Onoway
Barley, 50 lb	\$3.60 FOB	Nov	Wetaskiwin
Canola, heated	\$5.75 FOB	Nov	Vermilion
Canola, heated	\$5.50 FOB	Nov	Falher
Oats, milling	\$2.50 FOB	Nov	Millet
Peas, green	\$6.40 del Olds	Nov-Jan 09	Innisfail
Peas, green	\$6.34 del Edmonton	Nov-Jan 09	Innisfail
Rye, milling	\$6.52 del Lethbridge	Sep 09	Innisfail
Wheat, 12.5% prt	\$5.33 FOB	Jan 09	Crossfield
Wheat, 12.5% prt	\$5.33 FOB	Feb 09	Wetaskiwin
Wheat, 13% prt	\$5.25 FOB	Feb 09	Morinville

Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	Nov-Dec	\$3.86 del Lethbridge
Barley	Nov-Dec	\$3.97 del Lethbridge
Barley	Nov-Dec	\$3.88 del High River
Barley	Nov-Jan	\$3.75 del Olds
Barley	Nov-Jan	\$3.53 del Edmonton
Wheat, feed	November	\$4.70 FOB Edmonton
Wheat, 12.5% prt	November	\$4.70 FOB Edmonthn
Wheat, feed	November	\$4.84 del Lacombe
Wheat, feed	Nov-Jan	\$4.87 del Olds
Wheat, feed	Nov-Jan	\$4.70 del Edmonton
Wheat, feed	Nov-Dec	\$4.57 FOB Edmonton
Wheat, 12.5% prt	December	\$5.38 del Red Deer
Wheat, feed	December	\$4.02 del Red Deet
Wheat, 12.5% prt	Feb-Mar	\$5.66 del Red Deer
Wheat, feed	Feb-Mar	\$4.29 del Red Deer
Peas, yellow	December	\$6.10 del Innisfail
Peas, yellow	December	\$5.74 del Three Hills
Peas, yellow	December	\$5.74 del Wembley
Peas, green	December	\$8.75 del Innisfail
Peas, green	December	\$8.38 del Three Hills
Peas, green	December	\$8.38 del Wembley
Rye, feed	Nov-Dec	\$5.40 del Lehtbridge
Flax, milling	Dec-Jan	\$10.94 del Lethbridge
Triticale	Dec-Jan	\$4.89 del Lethbridge
Canola	December	\$7.20 del Abbotsford
Canola	December	\$9.19 del Lloydminster
Canola	January	\$9.19 del Lloydminster
Canola	March	\$9.39 del Fort Sask
Canola	March	\$9.45 del Lloydminster
Canola	November 2009	\$9.76 del Fort Sask
Oats, #2 CW	Nov-Dec	\$2.38 del Lethbridge
Oats, milling	January	\$2.07 del Martensville
Oats, milling	March	\$2.22 del Martensville
Oats, milling	April	\$2.08 del Barrhead
Oats, #2 CW	April	\$2.54 del Edmonton
Oats, #2 CW	May-Jun	\$2.74 del Edmonton
Oats, milling	July	\$2.39 del Martensville
Oats, milling	July	\$2.20 del Barrhead
Oats, milling	November	\$2.45 del Martensville
Oats, milling	November	\$2.25 del Barrhead