

At Market Master

by Shelley Wetmore

January 11, 2008.....

WOW! Pinch yourself, it's not a dream. We're actually booking canola for February-March delivery at **\$12.50/bu** delivered into Edmonton. Of course, the question I get asked daily is, "How high will it go?" I have no idea. Even look at the July canola futures ... it could hit the \$600.00/MT mark. But, as usual, with ever rally, comes the widening of basis. Numbers wider than 50 under are being reported for some months. Even so, we've just experienced an increase over 90 cents/bu this week. WOW!

Congratulations to **Curtis Vesely** who farms in the Millet area. He's Market Master's "Farmer of the Year" for the 2006-2007 crop year. Curtis shows a great interest in grain marketing and displays key characteristics vital for every producer's grain marketing toolbox including: investigation, planning, negotiation, and execution. Watch for your reward soon, Curtis!

Watching Winnipeg

Your weekly closing WCE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Jan 08	\$559.80	\$518.30	\$41.50
Mar 08	\$573.20	\$532.00	\$41.20
May 08	\$585.10	\$542.50	\$42.60
Jul 08	\$593.90	\$549.50	\$44.40
Nov 08	\$575.10	\$525.50	\$49.60
Jan 09	\$583.90	\$533.90	\$50.00
Mar 09	\$588.20	\$535.00	\$53.20
May 09	\$590.70	\$537.50	\$53.20
Jul 09	\$592.20	\$539.50	\$52.70
Nov 09	\$530.00	\$505.00	\$25.00
Jan 10	\$534.70	\$504.80	\$29.90
Wheat	This Week	Last Week	Diff +/-
Mar 08	\$202.50	\$190.10	\$12.40
May 08	\$206.50	\$194.10	\$12.40
Jul 08	\$206.50	\$194.10	\$12.40
Oct 08	\$199.50	\$187.10	\$12.40
Dec 08	\$199.50	\$187.10	\$12.40
Barley	This Week	Last Week	Diff +/-
Mar 08	\$211.80	\$209.10	\$2.70
May 08	\$221.00	\$218.10	\$2.90
Jul 08	\$227.00	\$222.00	\$5.00
Oct 08	\$205.00	\$202.00	\$3.00
Dec 08	\$208.10	\$202.60	\$5.50

Be Grainwise!

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

US Grain

All week, commodity and index funds were realigning and reallocating funds in anticipation of Friday's USDA reports.

Soy Complex

Soybeans received the least bullish news. Crop production and ending stocks were what analysts predicted but the strong move in corn forced beans to keep pace, particularly true of new crop months. Strength in outside markets (gold, crude oil, Malaysian palm oil) were instrumental in this week's strong showing.

MAR beans closed 46¾ cents higher at \$12.98¾/bu while meal bounded \$10.30/t. The real star was oil which climbed an incredible 5.38 cents to 52.66 cents/lb. I don't EVER recall THAT large of an advance in oil, in one week!

Corn

Corn had limit up gains Friday in response to bullish old crop production estimates and ending stocks projections (see Strategies).

Weekly exports of 720.1 mt received little notice although they were above the level needed to meet USDA the yearly export estimate of 2.45 bln bu. The competition between corn and beans for new crop acres remains a driving force.

MAR corn soared 46½ cents to \$4.95/bu ... one of the few contracts that still has a "4" as its first number.

Wheat

Despite sharply higher (limit up in most months) action Friday following bullish acreage projections, this week, MAR CBOT wheat closed 35¾ cents lower at \$9.09¼. KCBT slipped 21¾ cents to \$9.24/bu. MGE wheat dipped 20½ cents to settle at \$10.62¾/bu.

A weak technical picture and generous precipitation over the U. southern plains had funds taking their profits early in the week. It will be interesting to see how they respond to Friday's bullish reversal when trading resumes on Monday.

Canadian Grain

Canola

A strong soyoil market and weaker Canadian dollar had MAR canola flying a full \$41.10 higher to \$573.00/MT. Strong export demand from China and interest from Mexico, Pakistan, and Bangladesh also supported futures. A slowdown in farmer deliveries lent further support. Strong crusher demand pushed futures even higher.

The good news for producers is that although basis levels have widened, new crop bids are over \$12.00/bu—NOT BAD! For now, I'd be tempted to sit back and enjoy the ride ... particularly if you've already priced some of next year's crop. Be ready, though, at the first sign of a pullback to scale-in a small portion of next year's production. Perhaps lock-in the futures, then, wait for a pullback to lock-in the basis.

Feedgrain

Feed grain prices pushed higher with MAR barley closing 50 cents higher at \$209.50/MT. Cash bids are firming and will be looking at corn for direction.

The CWB released its new malting barley marketing plan. So far, both the malsters (MIAC) and (WGEA) which represent the 7 largest grain handlers in Canada, accounting for over 90% Canada bulk grain exports, refuse to cooperate. The inability to provide timely, accurate marketing signals to producers is the primary objection. Both groups are calling for the government to remove the barley monopoly from the CWB before the new crop year begins. This uncertainty makes it difficult for producers who are right in the middle of finalizing next year's seeding plans.



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Strategies

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

The news maker in this morning's USDA report came courtesy of corn. This year's total crop production dipped below the lowest pre-trade estimate at 13.07 bln bu. Even more important was the carryout figure which fell below the average guess of 1.698 bln to 1.438 bln—a significant difference! It also illustrates the effect the ethanol industry is having on corn demand. It wasn't long ago when a 13 bln bu crop would have been considered "off the charts". **Now, it can't keep up with demand.** Almost lost in the shuffle were the global ending stocks which were also lowered by some 8 mmt.

While soybean numbers were in line with pre-report thinking, carryout stocks came in at a tight 175 mln bu—not a lot of beans for the entire US.

With these two scenarios in place, it's not surprising that the acreage battle continues.

Perhaps the most anticipated figure was the winter wheat planting number. The trade was expecting sharply higher acreage. While the figure was 4% higher than last year at 46.6 mln acres, there were some bullish surprises. Almost all of the increase came in the SRW crop. I remember saying sometime back that you don't buy new crop acres with old crop prices. Obviously, Southern US plains wheat growers (who grow the bulk of the HRW crop) were of a like mind as they only seeded 32.5 mln acres to wheat. This compares to the pre-report estimates in the range of 34.883 mln acres and even fell below last year's total of 32.940 acres. This represents a drop of half a million acres from last year's crop. Not surprisingly, both KCBT and MGE futures reacted the most aggressively, closing limit up in most contracts. The market's job is now to encourage new crop spring wheat plantings and discourage the abandonment of HRW plantings due to either grazing or, as I mentioned last week, tilling the crop under in favour of more lucrative bean prices. It should also be noted that while old crop wheat futures lost ground this week, new crop prices actually rallied to contract highs in some cases. Monday's action should be interesting indeed.

FarmTech 2008

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Irrigated Crop Production Update

The Irrigated Crop Production Update – 2008 conference is in Lethbridge on January 22. The conference, organized by Alberta Agriculture and Food, Southern Applied Research Association and the Lethbridge College, includes presentations on topics such as:

- irrigated crop production in 2007
- irrigated crop rotation research
- practical crop rotations under irrigation
- potential for irrigated crops
- irrigation water supply outlook for 2008
- zone tillage of sugar beets
- conservation system research for dry beans
- disease and insect synopsis and forecast for 2008
- irrigation water management

Registration is \$45. For further information, contact Ross McKenzie, Lethbridge College, at 403-320-3202, ext. 5518, or Roger Hohm, Alberta Agriculture and Food, at 403-381-5152. To register, contact Bev McIlroy at 403-381-5171 or Judy Lee at 403-381-5849.

Farm Succession Planning Workshops

Succession planning is a process that deals with the managerial, financial and ownership issues of a family business. Everyone experiences these issues when transferring their business from one generation to the next generation. To provide Alberta farm owners with the tools they need for successful farm succession planning, workshops are being hosted throughout Alberta by Adult Learning Councils. At the workshops, a succession specialist will detail:

- the seven steps of the succession process
- the three essential elements of a succession plan
- the five different ways of passing a business down to the next generation
- the pros and cons of each of these five alternatives
- the working agreement between siblings when one prefers to give their farm to more than one (or all) of their children
- the cost associated with each of the five alternatives

These workshops are designed for those who want to ensure their farm or business passes to the next generation smoothly and cost effectively with their family being their most important concern. Workshops are being held in the following locations:

January 21, St. Paul, call Diana at 780-645-4099
January 22, Two Hills, call Debbie at 780-657-3358
January 28, Thorhild, call Carol at 780-398-3978
January 30, Strathmore, call Joyce at 403-934-3616
January 31, Claresholm, call Kate at 403-625-4107
February 4, Oyen, call Sherri at 403-664-2060
February 5, Coronation, call Kimberley at 403-578-3817
February 6, Three Hills, call Cheryl at 403-443-5556
February 9, Bentley, call Iwa at 403-782-7955
February 13, Pincher Creek, call Sherry at 403-627-4478
February 23, Lacombe, call Iwa at 403-782-7955
February 26, Barrhead, call Nancy at 780-674-7535

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 48 lb	\$4.00 FOB	January	Camrose
barley, 48 lb	\$3.95 FOB	Jan-Feb	Galahad
barley, 48 lb	\$4.00 FOB	Jan-Mar	Vermilion
barley, 48 lb	\$4.22 del Vegreville	January	Spedden
barley, 48 lb	\$4.22 del Killam	January	Forestburg
barley, 48 lb	\$4.01 FOB	January	St. Paul
barley, 50 lb	\$4.20 FOB	January	Stony Plain
barley, 50 lb	\$4.00 FOB	January	New Sarepta
barley, 50 lb	\$4.37 del Willingdon	Jan-Feb	Radway
barley, 50 lb	\$4.25 del Vegreville	January	Mundare
barley, 52 lb	\$4.00 FOB	Jan-Feb	Blackfoot
barley, 54 lb	\$4.00 FOB	January	Meeting Creek
canola	\$10.95 FOB	November	Alliance
canola	\$11.31 FOB	Feb-Mar	Camrose
canola	\$11.63 FOB	Feb-Mar	Clive
canola, heated	\$7.21 del Edmonton	Feb-Mar	Holden
canola	\$11.51 FOB	Feb-Mar	Consort
canola, heated	\$7.21 del Edmonton	Feb-Mar	Lacombe
canola	\$11.83 del Ft. Sask	November	St. Albert
canola	\$11.97 del Edmonton	Feb-Mar	St. Albert
canola	\$11.93 FOB	Feb-Mar	St. Paul
canola	\$12.29 del Edmonton	Feb-Mar	High Prairie
canola, heated	\$9.48 del Edmonton	Feb-Mar	Lacombe
canola	\$11.59 FOB	November	Three Hills
canola	\$12.00 FOB	March	Camrose
canola	\$12.02 FOB	Feb-Mar	Altario
canola	\$12.50 del Edmonton	Feb-Mar	St. Albert
wheat, feed	\$5.50 FOB	January	Leduc
wheat, feed	\$5.75 FOB	January	St. Albert
oats, milling	\$2.75 FOB	February	New Sarepta
oats, milling	\$2.85 FOB	June	Kirriemuir
oats, milling	\$2.83 FOB	June	St. Paul
oats, milling	\$2.71 FOB	February	Atmore
rye, feed	\$5.84 FOB	Feb-Mar	Castor

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	January	\$4.30 del Lacombe
barley	January	\$4.20 del Irma
barley	Jan-Mar	\$4.25 del Vegreville
barley	January	\$4.26 del Acme
barley	February	\$4.20 del Czar
barley	February	\$4.52 del Lethbridge
barley	Apr-May	\$4.74 del Lethbridge
wheat, 12.5 % prt	Jan-Mar	\$6.07 del Red Deer
wheat, feed	January	\$5.80 del Ferintosh
wheat, 12.5% prt	January	\$5.80 del Edberg
wheat, feed	Feb-Mar	\$5.81 del Lloydminster
wheat, feed	March	\$5.95 del Edmonton
wheat, feed	Apr-May	\$6.09 del Lloydminster
wheat, feed	April	\$5.95 del Edmonton
peas, feed	January	\$6.35 del Edmonton
peas, feed	January	\$6.07 de Paradise Valley
peas, feed	Jan-Feb	\$6.07 del Olds
peas, feed	Jan-Feb	\$6.62 del Botha
peas, green edible	January	\$10.00 del Innisfail
peas , yellow edible	January	\$9.27 del Innisfail
peas, yellow edible	Sep-Oct	\$7.00 del Innisfail
rye, feed	Feb-Mar	\$6.20 del Stony Plain
rye, feed	Feb-Mar	\$6.20 del Three Hills
oats, feed	Jan-Feb	\$2.55 del Wetaskiwin
oats, feed	Feb-Mar	\$2.29 del Wainwright
oats, milling	March	\$3.03 del Barrhead
oats, milling	April	\$3.08 del Martensville
oats, milling	May	\$3.10 del Martensville
oats, milling	June	\$3.15 del Martensville
oats, milling	Jul-Aug	\$3.15 del Martensville
oats, milling	Sep-Oct	\$2.81 del Martensville
oats, milling	November	\$2.87 del Martensville
oats, milling	December	\$2.92 del Martensville
canola	Feb-Mar	\$12.50 del Edmonton
canola	July	\$12.67 del Fort Sask
canola	November	\$12.29 del Fort Sask
canola	Oct 09	\$11.22 del Fort Sask
flax	Feb-Mar	\$13.95 del Edmonton
oats, organic	Jan-May	\$5.75 del Barrhead

CLASSIFIEDS

Combine

1995 Case IH 2188 combine in good condition. Call Ray in Morinville at (780) 939-3601.

Cows

200 one iron cows for sale, Simmental cross. Phone Richard at (780) 818-9463, Bon Accord (north of Edmonton).

Grain Dryer

Vertec dryer, 12 foot—12 tier, natural gas—12 million BTU, 3 phase power, minimal fire damage to body only, \$15,000 OBO. Call Lorne Semler at (780) 349-0712.



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By the Number	This Week	Last Week	Diff
CME Live Cattle (FEB)	91.350	94.700	(3.350)
CME Live Hogs (FEB)	54.000	56.400	(2.400)
CDN Dollar (MAR)	0.980	1.000	(0.020)
Minneapolis Wheat (MAR)	9.09	9.32	(0.230)
Kansas City Wheat (MAR)	9.24	9.48	(0.240)
Chicago Oats (MAR)	3.36	3.30	0.060