

## At Market Master

by Shelley Wetmore

### March 21, 2008.....

Exactly 3 weeks ago tomorrow, MAY canola futures closed at \$740. Today, they closed around \$577. That's almost \$7,000 for one SuperB.

If you look at FALL canola, say for October delivery, futures have dropped from \$739ish on February 29 to \$586ish today. PLUS, basis levels which were available at \$20 for a long time earlier in the year, now sit in the \$75 range. Together, that's a difference of \$9,000 for one SuperB.

Depressing ... isn't it? There IS a "good" side to this scenario ... producers who locked-in fall canola earlier in the year are telling me they feel a bit relieved as they now don't feel the pressure of having missed \$16.00/bu canola. It's now back down to the \$11-\$12 range.

We've got the first bid of the year for fall #2 CW rye at \$6.50 delivered to Lethbridge, not quite the \$10.00 range we're used to right now.

Milling oat prices have dropped substantially from February 29:

APR @ \$3.89 delivered to \$2.83

OCT @ \$4.12 delivered to \$3.17

## Watching Winnipeg

Your weekly closing WCE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
May 08	\$576.90	\$639.20	(\$62.30)
Jul 08	\$590.10	\$651.90	(\$61.80)
Nov 08	\$586.50	\$647.30	(\$60.80)
Jan 09	\$594.80	\$656.00	(\$61.20)
Mar 09	\$600.10	\$661.00	(\$60.90)
May 09	\$603.50	\$669.90	(\$66.40)
Jul 09	\$610.20	\$672.90	(\$62.70)
Nov 09	\$603.80	\$637.00	(\$37.90)
Jan 10	\$603.80	\$641.70	(\$37.90)
Mar 10	\$603.80	\$641.70	(\$37.90)
Wheat	This Week	Last Week	Diff +/-
May 08	\$295.00	\$295.00	\$0.00
Jul 08	\$295.00	\$295.00	\$0.00
Oct 08	\$288.00	\$288.00	\$0.00
Dec 08	\$288.00	\$288.00	\$0.00
Barley	This Week	Last Week	Diff +/-
May 08	\$224.30	\$236.00	(\$11.70)
Jul 08	\$239.00	\$244.50	(\$5.50)
Oct 08	\$238.00	\$245.70	(\$7.70)
Dec 08	\$242.30	\$250.00	(\$7.70)

## Be Grainwise!

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

### US Grain

Commodity markets continued their free fall as commodity and index funds bailed out of their long positions in a flight to equity. Tight credit and overall financial jitters has the speculative money running for cover ... and it's not just happening in grains either. Gold and other metals took a hit as did crude oil. The sentiment this week seemed to be, if it's a commodity, sell it!

### Soy Complex

Not surprisingly, MAY soybeans took a big hit, closing \$1.45¾ cents lower at \$12.07/bu while meal dropped \$33.50 to \$310.30/t. The big loser was soyoil which dropped 6.16 cents to \$54.40 cents/lb. Malaysian palm oil was also under the gun and suffered huge losses as well.

There's concern that heavy rains in the portions of the plains and Midwest may delay planting. This would be bullish for corn but bearish for beans as corn is traditionally planted earlier than corn. But, from what I'm hearing in the US chat rooms, quality soybean seed is almost impossible to get, so I'm not sure how many additional acres could switch to beans if the weather continues to be uncooperative.

Weekly bean exports were very strong at 504,400 mt, almost ten times the amount needed to meet current USDA projections. Bean oil exports were also better than expected. However, this week, fundamentals counted for little in the race for liquidity.

### Corn

Corn also fell victim to massive liquidation. Despite tight fundamentals and the potential for a late spring, MAY dropped 51¾ cents to \$5.07½/bu. Weekly exports were solid at 780,700 mt—but no one was really paying much attention. As with beans, everyone wanted out, and now.

### Wheat

Wheat took the biggest hit. Although nearterm stocks remain tight, the potential for wheat to rebuild stocks quickly made it even more vulnerable than the row crops. Heavy rains in the

eastern plains were also beneficial to the HRW wheat crop which is just now coming out of dormancy. Note that parts of the western plains remain dry but that fact got lost in this week's panic selling.

Weekly exports came in at a paltry 17,400 mt but there appears to have been substantial sales made during this latest pullback which won't show up until next week's report.

MAY CBOT wheat slammed \$2.04½ cents lower to \$9.87/bu while MGE wheat slipped \$1.72¾/bu lower to \$12.77. KCBT wheat took the biggest hit, dropping \$2.28/bu to \$10.32.

### Canadian Grain

#### Oilseeds

It was a rough week for canola as sellers took advantage of newly expanded trading limits to send the MAY \$62.30 lower to \$576.90/MT. As bad as it was—it could have been worse. Thursday's futures finished well off the lows as a combination of domestic buying and a slowdown in farmer selling combined with a lower Canadian dollar to give futures SOME support.

It's rumoured that new buying interest lies just below the market but with soyoil dropping limit every day, buyers are going to sit on the sidelines whenever possible to see how low we can go before stepping up to the plate once again. Next week should be interesting.

#### Feedgrain

Even barley futures couldn't ignore this week's sell-off as the MAY dumped \$11.70/MT to close at \$224.30. Cash prices, though, weren't affected to the same degree.

MAY wheat (for what it's worth) closed unchanged at \$295.00/MT.



"Your grain watchdog."

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## Strategies

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

### US Economy and Grain

This week's interest rate cut by the US Fed caught the markets by surprise. Almost everyone was anticipating a full 1% drop, so when the actual figure came out at just .75% traders were caught off-guard. When it was further learned that there was a dissenting view in the Fed itself, that even the .75% cut was too much, the market felt the days of lower and lower interest rates may be coming to an end—currency traders obviously did as the US dollar began to rally.

There's also a feeling that some of the major EU banks may now be willing to prop up the US dollar (I outlined that as a possibility in last week's comments). It's hard to know just how this financial upheaval will play itself out but it's a safe bet we haven't seen the end of it just yet. A stronger US dollar DOES put pressure on commodities as it makes them less attractive to foreign buyers. However, even with this week's rally, the dollar is still very weak historically.

### News from China

China threw a wrench into the markets when they announced 150,000 to 200,000 mt of grain reserves. This was well over what the markets anticipated and immediately led to speculation that China's appetite for imported grain may not be as big as previously thought. It was later suggested, though, that their reserves were grossly over-reported as local officials often find "phantom" bushels in on government subsidies designed to build reserves which would curb inflation. Inflation hit a 12-year high of 8.7% in February. As with most things coming out of China it may be sometime (if ever) that we learn the real truth.

### Summary

These markets have entered a huge liquidation phase which some would argue is healthy for the market long-term as lower prices will stimulate additional demand in an environment where supply really hasn't changed—at least not yet.

Fundamentals have fallen by the wayside as funds race to convert assets to cash. It'll be interesting to see how the market reacts as one of the most important USDA reports of the year, the Prospective Plantings report, is due out on March 31.

Happy Easter everyone!

## Classifieds

**Certified Seed:** Superb wheat @ \$11.00/bu, AC Metcalfe and CDC Copeland @ \$9.00/bu. Phone Todd Clark, Edmonton area at (780) 499-5060.

**Bales:** 800 first-cut alfalfa bales, dairy quality, good twine, easy to haul, 1,350 lbs, Thorsby. Cal Warren at (780) 789-3747.

**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.

### Doug Johnson Auction Service

## HARVEY & PAT ADAMSON (780) 672-6212 CAMROSE, TUESDAY, APRIL 15, 10 AM

From Camrose, 9 miles north on Highway 833, then 2 1/4 miles east on TWP 484 (Round Hill Road). From Roundhill, go 5 3/4 miles west.

### PARTIAL LIST

**Tractors and dozer:** Versatile 835 4WD, Versatile 800 4WD, 14' Degelman 2-way dozer.

**Harvest equipment:** New Holland TR 96 combine, New Holland TR 85 combine, 24' New Holland 971 straight cut header, 24' John Deere 924 rigid straight cut header, 19 1/2' Versatile 1950 header, 18' Versatile 400 SP swather, 18' Versatile batt reel, 24' New Holland batt reel.

**Trucks:** 1999 Freightliner FL112 TA, 1980 Ford F800 SA grain truck, 1980 Ford F250.

**Air seeder:** 40' Flexicoil 820 cultivator, 40' Renn-Vertec harrow/packer drawbar.

**Field equipment:** 28' Versatile heavy TA disc, 60' Flexicoil System 95 harrow/packers, two 35' John Deere 1610 DT cultivator, 35' Morris 631 DT cultivator, 20' John Deere field cultivator, Summers rock picker, NH 269 square baler, hay rake.

**More:** conveyors and augers, portable loading and seed treating unit, seed bagging scale, pumps, generators, mowers, fuel tanks, water tank, ... much, much more!

## Grain Pricing Orders (GPOs)

Easily set price targets! Call the office to set your price, set your terms. Especially convenient during seeding when you're too busy to watch markets!



*Happy Easter!*

## Malt Program

Contracts are available in the office. Price is in the \$6.70/bu range, for 2-row varieties, delivered to the maltster. Act of God is included in the contract. Call for details!

### At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 46 lb	\$4.26 FOB	Mar-Apr	Lethbridge
barley, 48 lb	\$4.40 del Vegreville	September	Lavoy
barley, 48 lb	\$4.40 FOB	May-Jun	Camrose
barley, 50 lb	\$4.57 FOB	June	Legal
barley, 50 lb	\$4.52 FOB	Apr-May	Legal
barley, 58 lb	\$7.27 FOB	March	Camrose
barley, malt	\$6.70 del Bawlf	08-09	Vegreville
canola	\$13.06 del Edmonton	Apr-May	Morinville
canola	\$12.56 del Fort Sask	Feb 09	Bon Accord
canola	\$13.65 del Edmonton	March	St. Albert
wheat, protein	\$8.35 FOB	March	Tofield
wheat, feed	\$7.27 FOB	March	Camrose
wheat, feed	\$7.30 FOB	March	Oyen
wheat, feed	\$8.14 FOB	March	Lloydminster
wheat, protein	\$8.44 FOB	Mar-Apr	Bawlf
wheat, protein	\$8.40 FOB	Mar-Apr	Armena
peas, green	\$9.16 FOB	Mar-Apr	Andrew
oats, milling	\$3.12 FOB	April	Thorhild
oats, milling	\$2.95 FOB	June	Iron River
oats, milling	\$2.76 FOB	April	Ashmont
rye	\$10.00 FOB	Apr-May	Ponoka

### Over 100 4-H Scholarships Available

The Alberta 4-H Scholarship program will award over 100 scholarships worth more than \$80,000. The program awards past or present Alberta 4-H members for outstanding 4-H achievement, community involvement, leadership and communication skills. Each scholarship has a set of criteria determined by the scholarship sponsor. The applicant must:

- be a past or present member of an Alberta 4-H Club(s)
- apply for 4-H scholarships every year that they are a full time post-secondary student at an officially recognized institution
- complete the Alberta 4-H application form completely and accurately
- submit the 2008 application form by the application deadline (postmarked May 5, 2008)
- be enrolled in and attend a post secondary institution as a full-time student

Download the application form from the [4H](http://www.4h.ab.ca) website at [www.4h.ab.ca](http://www.4h.ab.ca). Deadline to apply must be postmarked by **May 5, 2008**. Submit application to 4-H Foundation of Alberta, RR 1, Westrose, AB T0C 2V0. The decision of the committee is final. Recipients are notified after the selection date. Scholarship funds will be released between November 1 and December 31.

A number of regional scholarships are also available in addition to provincial ones. Visit the [4-H](http://www.4h.ab.ca) website for more information on regional and non 4-H scholarships.

For more information or assistance in downloading, contact the 4-H Foundation of Alberta at (877) 682-2153.

### Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	March	\$4.74 del Castor
barley	May-Jun	\$4.75 del Lacombe
barley	May	\$4.70 del Lacombe
barley	Sep-Oct	\$4.40 del Vegreville
barley	Nov-Dec	\$4.50 del Vegreville
barley	Jan-Mar 09	\$4.57 del Vegreville
wheat, feed	April	\$7.30 del Drumheller
wheat, 13.0% prt	Apr-May	\$8.79 del Red Deer
wheat, feed	Jun-Jul	\$7.84 del Edmonton
peas, feed	Apr-May	\$7.57 del Edmonton
peas, green max 15% bleach	April	\$9.70 del Innisfail
peas, green edible	Apr-May	\$10.50 del Innisfail
peas, yellow edible	Apr-May	\$10.50 del Innisfail
peas, green edible	Sep-Nov	\$9.20 del Innisfail
peas, yellow edible	Mar-May	\$11.00 del Acme
peas, yellow edible	Sep-Oct	\$9.75 del Innisfail
rye, feed	May-Jun	\$10.00 del Stony Plain
rye, feed	May-Jun	\$10.00 del Three Hills
canola	May	\$12.63 del Edmonton
canola	July	\$12.77 del Lloydminster
canola	October	\$11.89 del Lloydminster
canola	January 09	\$11.86 del Ft. Sask
canola	January 09	\$12.53 del Lloydminster
oats, milling	Apr-May	\$2.83 del Martensville
oats, milling	June	\$2.92 del Martensville
oats, milling	July	\$2.95 del Martensville
oats, milling	August	\$2.99 del Martensville
oats, milling	Sep-Oct	\$3.17 del Martensville
oats, milling	November	\$3.23 del Martensville
oats, milling	December	\$3.29 del Martensville

By the Number	This Week	Last Week	Diff
CME Live Cattle (FEB)	90.675	90.500	0.175
CME Live Hogs (APR)	56.325	55.025	1.300
CDN Dollar (MAR)	0.970	1.014	(0.044)
Minneapolis Wheat (MAR)	9.87	11.60	(1.730)
Kansas City Wheat (MAR)	10.32	12.17	(1.850)
Chicago Oats (MAR)	3.39	3.93	(0.540)

### New Heated Canola Prices!

max 20%	\$8.11 delivered Edmonton
max 35%	\$7.66 delivered Edmonton
max 45%	\$7.21 delivered Edmonton

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