

At Market Master

by Shelley Wetmore

April 4, 2008.....

What's new this week?

Well, we have a bid for fall feed barley at **\$5.05/bu delivered to Carseland**. THAT'S pretty exciting. I've never seen that price for fall feed barley before. Your option of delivery months from September to December.

We're hosting a **canola producer car** program. If you've ordered and loaded cars before, this program may be for you—especially if you're in an area where an elevator or crusher is some distance away. The basis is 20 over the MAY futures, track Vancouver.

Do you have contracted **CWB CWRS still in the bin?** If it's grading #1, #2, or #3 with 13% protein or better and dry, we can move it as soon as next week but before the end of April. Your deductions will be approximately \$49 per tonne and there's a \$8 freight incentive (to Red Deer) but your wheat will be picked up at the bin as the buyer has their own trucks. Tonnage IS limited, so call quickly if you're in this situation. Get your wheat moving!

Watching Winnipeg

Your weekly closing WCE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
May 08	\$614.60	\$600.30	\$14.30
Jul 08	\$626.80	\$613.70	\$13.10
Nov 08	\$627.90	\$612.50	\$15.40
Jan 09	\$636.30	\$622.30	\$14.00
Mar 09	\$643.00	\$630.70	\$12.30
May 09	\$651.30	\$639.40	\$11.90
Jul 09	\$653.30	\$643.10	\$10.20
Nov 09	\$621.00	\$600.00	\$21.00
Jan 10	\$625.70	\$604.70	\$21.00
Mar 10	\$625.70	\$604.70	\$21.00
May 10	\$625.70	\$604.70	\$21.00
Wheat	This Week	Last Week	Diff +/-
May 08	\$300.00	\$300.00	\$0.00
Jul 08	\$300.00	\$300.00	\$0.00
Oct 08	\$293.00	\$293.00	\$0.00
Dec 08	\$293.00	\$293.00	\$0.00
Barley	This Week	Last Week	Diff +/-
May 08	\$233.00	\$231.10	\$1.90
Jul 08	\$241.40	\$244.50	(\$3.10)
Oct 08	\$251.00	\$246.00	\$5.00
Dec 08	\$257.70	\$250.00	\$7.10

Be Grainwise!

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

US Grain

Soy Complex

USDA's Planting Intentions Report was released Monday and lived up to its billing as a potential markets mover. Everyone was expecting additional corn acres and fewer bean acres but the magnitude of the acreage shift caught traders off guard.

Last year, the US planted 63.631 mln acres of beans. This year, it's 74.793 mln acres—that's a lot of beans! Predictably, beans plummeted on technical liquidation by the non-commercials (funds). Ironically, it was those same funds that jumped back into the market on the buy side later in the week when futures failed to drop through support.

The ongoing farmers strike in Argentina and dock strike in Brazil boosted US futures. Argentinean farmers are expected to call a 30-day truce in their strike but they're not happy and further action down the road can't be ruled out. This dispute erupted when the government imposed heavy bean export taxes which put a lid on producer prices.

Despite heavy early losses, MAY beans rallied to close 9¼ cents higher at \$12.77/bu. Even more surprising was that NOV beans closed 6¼ cents higher. MAY meal drifted \$8.80 lower to \$333.50/t while oil pushed 1.63 cents higher to 56.61 cents/lb.

Corn

Monday's report pegged corn acres at just 86.014 mln acres vs last year's 93.6 mln. While corn stocks are adequate at the moment, a dramatically lower corn acreage could push new crop stocks to dangerously low levels.

MAY bounced 27¼ cents higher to \$5.98/bu. Almost all deferred contracts are trading above \$6/bu. Good weekly exports (945,700 mt combined old crop/new crop) also lent support.

Wheat

Wheat was all over the place. Monday's report pegged total wheat area at 63.8 mln acres versus last year's 60.433. Assuming normal weather, most analysts world wheat stocks will rise and pressure prices, however, a lot of water

has to flow under the bridge before that happens. The US western plains remain very dry with long-term forecasts for that drought area to increase in size over the summer. And, everyone remembers last year's spring frost which severely cut US production. To make a long story short, the 2008 crop is a long way from being in the bin. Weekly exports remained on solid footing at 267,200 mt.

MAY CBOT wheat (which reflects SRW wheat, currently wet but in the best shape), closed 14¾ cents lower at \$9.74¼/bu while KCBT wheat (HRW wheat) pushed 5¾ cents higher to \$10.28/bu. However, MAY MGE wheat fired 81 cents higher to \$13.35/bu, reflecting the continuing tightness in nearby stocks of high quality wheat.

Canadian Grain

Canola

MAY canola posted a respectable gain of \$14.30 to \$614.60/MT. Rumours of new export business combined with a slowdown in farmer selling provided support. Relatively large old crop supplies and light commercial selling limited further advances.

Feedgrain

MAY barley trudged \$2.00 higher to \$233.00/MT. While this week's volatility wasn't reflected in the barley market, longer-term a stronger corn market augers well for barley bids.

It's generally accepted prairie producers will be cutting back barley acres in favour of wheat and canola. However, if the corn market continues to push higher, barley may become the sleeper crop for 2008!



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Strategies

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

Monday's Prospective Plantings Report gave corn a boost and pushed beans lower. However, the battle for acres isn't over and I doubt it will be until the planters are back in the shed for another year.

Remember, in most the US Midwest, the crop of choice is either beans or corn, nothing much else enters into the equation.

At the moment, corn is a clear winner economically over beans for most of the Midwest and, if this were a normal spring, you might expect to see additional corn acres planted. When the weather is good, quite often producers who are planting corn will just keep going and plant another field or two. But, most of the Midwest continues to experience wet and cool conditions and the forecast for next week is more of the same.

This places corn producers in a predicament. Corn is worth more (at least on paper) but if you plant too late, you risk having your crop pollinate during the hottest part of summer—not conducive to high yields. Beans, on the other hand, can be planted later without the same sort of risk. (The critical podding stage for beans is typically later in the season.) However, when you throw seed shortages, production costs, and crop insurance coverage into the mix it's anyone's guess what the final acreage tally will be.

A survey done by a major U.S. grain marketing service after the March 31st report indicated 22% of respondents were planning to increase corn acres. While this survey is hardly scientific, it does indicate there still remains a substantial number of swing acres which could go either way. This survey (and others like it) have convinced many analysts that we've already seen the smallest corn acreage estimate of the year and the largest bean estimate.

It's going to be an interesting summer for market watchers and should we encounter and serious weather concerns in a major growing area it could be a very bumpy ride!

Canola Producer Cars!

20 over MAY, track Vancouver

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.

Tax Deferrals for Southern Alberta Producers?

Due to drought conditions in 2007, the Minister of Agriculture and Agri-Food Canada declared 10 of Alberta's counties and municipal districts eligible for tax deferral on drought-induced sales of breeding stock.

If a municipality is identified as a drought area, a portion of the income from the sale of breeding animals can be deferred at least until the next taxation year. For example, if your herd was reduced by 15% to 30% last year, you can defer 30% of your net income. If you reduced your herd by more than 30%, you can defer 90% of your net income. This deferral can continue as long as the municipality continues to be identified as a drought region.

The following is a list of areas where producers may qualify:

Municipal District of Pincher Creek No. 9	Municipal District of Crownest Pass
Municipal District of Ranchland	Municipal District of Taber
Cardston County	Cypress County
County of Warner No. 5	County of Forty Mile No. 8
Municipal District of Willow	County of Lethbridge

For more information about how the 2007 drought-induced sales of breeding livestock tax deferral will affect your county or municipal district, call the Ag-Info Centre at 310-FARM (3276) or visit Alberta Agriculture and Rural Development's website at www.agric.gov.ab.ca. On the website, go to *Programs and Services* and under *Business Management* click on *Tax Deferral Program for Prescribed Drought Region*.

Be Wary of Improper Canola Storage!

"We are concerned that as temperatures start to rise through April and May, reports of spoilage and seed damage will also increase," says Canola Council agronomy specialist David Vanthuyne. "That sort of quality loss doesn't need to happen."

In spring when the sun warms the outside of the bin, warm air moves up near the outside wall of the bin and down through the centre of the grain mass. The cooler canola in the centre of the bin re-absorbs moisture, creating a damp and warm area prone to rapid spoilage.

"That's when you need to monitor the seed more regularly," Vanthuyne says. "This area of the bin can favour the growth of storage moulds and eventually the seed may become damaged."

Aeration is the most effective way to stabilize temperature and moisture within a bin. At the very least, take out some of the canola from the centre of the bin. "That way," Vanthuyne says, "you'll interrupt any increase in temperature and moisture in the central core." If moisture and temperature are properly maintained, it is possible to store quality canola seed for two to three years.

"The best approach is to stabilize the bin temperature between 10 to 15 degrees Celsius as summer approaches," advises Vanthuyne. "This becomes even more critical with large storage structures which tend to be at greater risk for heating."

For more information, contact John Mayko, Canola Council of Canada, (780) 764-2593.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 48 lb	\$4.50 FOB	Mar-Apr	Craigmyle
barley, 48 lb	\$4.46 FOB	April	Oyen
barley, 50 lb	\$4.50 FOB	April	Bashaw
barley, 50 lb	\$4.50 FOB	Apr-May	Donalda
barley, 51 lb	\$4.50 FOB	April	Westlock
barley, 52 lb	\$4.50 FOB	April	Irma
barley, 52 lb	\$4.50 FOB	April	Hanna
barley, 52 lb	\$4.50 FOB	April	Bon Accord
barley, malt	CWB PRO	Apr-Aug	Millet
canola, heated	\$7.66 FOB	Mar-Apr	Sexsmith
canola, heated	\$6.30 del Edmonton	Mar-Apr	Ponoka
canola, heated	\$6.87 del Edmonton	April	Edmonton
canola, heated	\$8.73 FOB	April	Innisfree
canola, heated	\$8.55 FOB	Apr-May	Falher
canola, heated	\$8.45 FOB	April	McLennan
wheat, feed	\$7.71 del Edmonton	July	Ferintosh
wheat, feed	\$7.71 del Edmonton	July	Bon Accord
wheat, feed	\$8.66 del Red Deer	April	Kingman
oats, milling	\$3.25 FOB	September	Mannville
oats, milling	\$3.33 FOB	September	Wainwright
oats, milling	\$3.31 FOB	June	Gwynne
oats, milling	\$3.59 FOB	September	Hilliard
oats, milling	\$3.70 FOB	December	Hilliard
oats, milling	\$3.20 FOB	April	St. Michael
oats, milling	\$3.12 FOB	April	Grassland
oats, milling	\$3.30 FOB	June	Spedden
oats, milling	\$3.19 FOB	April	Tofield
oats, milling	\$3.17 FOB	April	Grassland
oats, milling	\$3.41 FOB	August	Castor
oats, milling	\$3.25 FOB	April	Castor
oats, milling	\$3.18 FOB	May	Athabasca
oats, milling	\$3.71 FOB	December	Camrose
oats, milling	\$3.24 FOB	April	Innisfree
oats, milling	\$3.01 FOB	July	Tofield
oats, feed	\$2.35 FOB	April	St. Michael
peas, yellow	\$10.43 FOB	April	Wainwright
peas, yellow	\$10.59 FOB	April	Mossleigh
peas, yellow	\$10.43 FOB	April	Esther
peas, yellow	\$9.75 del Innisfail	October	Three Hills
peas, yellow	\$11.00 del Innisfail	April	Blackie
peas, green	\$8.80 FOB	October	Ohaton
peas, green	\$10.00 del Innisfail	April	Kingman

By the Number

	This Week	Last Week	Diff
CME Live Cattle (FEB)	87.900	87.650	0.250
CME Live Hogs (APR)	58.525	58.100	0.425
CDN Dollar (MAR)	0.990	0.980	0.010
Minneapolis Wheat (MAR)	9.72	9.89	(0.170)
Kansas City Wheat (MAR)	10.28	10.22	0.060
Chicago Oats (MAR)	3.85	3.60	0.250

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	Apr-May	\$4.74 del Consort
barley	May	\$4.74 del Olds
barley	May-Jun	\$4.74 del Eckville
barley	June	\$4.85 del Brooks
barley	Sep-Dec	\$5.05 del Carseland
wheat, feed 13.0% prt	Apr-May	\$8.66 del Red Deer
wheat, feed 12.5% prt	Sep-Oct	\$7.50 del Red Deer
wheat, feed 12.5% prt	Nov-Dec	\$7.60 del Red Deer
peas, feed	Apr-May	\$7.57 del Edmonton
peas, green edible	Apr-Mar	\$10.00 del Innisfail
peas, yellow edible	Apr-Mar	\$10.50 del Innisfail
peas, green edible	Sep-Nov	\$9.20 del Innisfail
peas, yellow edible	Sep-Oct	\$9.75 del Innisfail
peas, yellow edible	Dec-Jan	\$10.00 del Innisfail
rye, feed	May-Jun	\$8.45 del Stony Plain
rye, feed	May-Jun	\$8.45 del Three Hills
rye, milling	Sep-Oct	\$6.50 del Lethbridge
canola	May	\$13.48 del Edmonton
canola	July	\$13.69 del Lloydminster
canola	October	\$12.83 del Lloydminster
canola	January 09	\$13.17 del Ft. Sask
canola	January 09	\$13.47 del Lloydminster
oats, milling	April	\$3.39 del Martensville
oats, milling	May	\$3.42 del Martensville
oats, milling	June	\$3.49 del Martensville
oats, milling	July	\$3.53 del Martensville
oats, milling	August	\$3.56 del Martensville
oats, milling	Sep-Oct	\$3.76 del Martensville
oats, milling	November	\$3.82 del Martensville
oats, milling	December	\$3.87 del Martensville

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!

Heated Canola Prices!

max 20%	\$9.02delivered Edmonton
max 25%	\$8.68 delivered Edmonton
max 40%	\$8.11 delivered Edmonton
Max 60%	\$7.32 delivered Edmonton