

At Market Master

by Shelley Wetmore

April 25, 2008.....

If you're consistent with growing wheat with 12.5% to 13% protein or better (almost any type of wheat EXCEPT for soft white), you may want to have a hard look at booking a fall, **off-board** feed wheat price:

CWB Grade	CWB April PRO (less \$1.38/bu average deductions)
#1 CWRS, 12.5%	\$8.50 del elevator
#2 CWRS, 13.5%	\$8.34 del elevator
#3 CWRS, 13.0%	\$7.93 del elevator
#1 CPRS	\$7.55 del elevator
CW Feed	\$5.40 del elevator

Bid Board	Del Red Deer
58 lb, dry, 12.5%	\$7.71 (Sep-Oct)
58 lb, dry, 12.5%	\$7.84 (Nov-Dec)

Think about hauling some "feed" wheat to Red Deer. If the wheat does NOT test at 12.5% protein or better, it will be paid at the spot feed wheat price OR could be rejected and sent home.

Alternatively, points to consider:

- movement is quick
- all money received after delivery

Watch next issue of Grainwise for a fall **production contract** on yellow human consumption peas!

Watching ICE

Your weekly closing ICE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
May 08	\$600.40	\$637.70	(\$37.30)
Jul 08	\$612.70	\$649.30	(\$36.60)
Nov 08	\$631.60	\$660.50	(\$28.90)
Jan 09	\$642.10	\$669.20	(\$27.10)
Mar 09	\$651.00	\$676.20	(\$25.20)
May 09	\$659.90	\$679.90	(\$20.00)
Jul 09	\$664.00	\$687.60	(\$23.60)
Nov 09	\$648.00	\$663.30	(\$15.30)
Barley	This Week	Last Week	Diff +/-
May 08	\$241.00	\$245.00	(\$4.00)
Jul 08	\$248.60	\$251.00	(\$2.40)
Oct 08	\$255.50	\$257.90	(\$2.40)
Dec 08	\$255.50	\$264.30	(\$8.80)
Mar 09	\$261.10	\$264.50	(\$3.40)
May 09	\$264.50	\$264.50	\$0.00

Be Grainwise!

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

US Grain

Soy Complex

Planting delays due to cold, wet weather in the Midwest pressured bean values. Although corn planting is behind schedule (only 4% completed in Monday's Crop Progress Report), most producers aren't switching to beans yet. Nevertheless, in a period of consolidation (see Strategies), any excuse will do.

It was also interesting to note that while crude oil prices were trading north of \$119/bbl, soyoil prices were in retreat.

The on again, off again Argentinean farmer's strike lent some support to the market as did a solid weekly export figure of 376,700 mt. Just 1/10th of that is needed to stay on pace to meet annual export projections.

On the week, market bears dominated, sending JUL beans 40 cents lower to \$13.37/bu while JUL meal drifted \$6.70 lower to \$345/t. Oil slipped 2.09 cents to 59.65 cents/lb.

Corn

Ironically, planting delays which pressured beans did little to bolster JUL corn which closed 22¼ cents lower at \$5.90¾/bu.

While this week's export total of 987,600 mt was well within trade expectations, it did little to boost the market.

Simply put, the market feels that eventually all this corn will be planted and this surplus moisture will produce a bumper crop. Monday's crop progress report will be eagerly anticipated by market watchers.

Wheat

Wheat suffered another tough week of losses with the JUL CBOT plummeting 69½ cents at \$8.15½/bu. KCBT was even harder hit, dropping 82½ cents to \$8.50½/bu. But the worst pain was inflicted on MGE wheat which settled 98¾ cents lower to \$9.46¼/bu.

Weekly exports were middle of the road and did little to affect the market. Although there's some concern that weekend temperatures in the plains could dip to dangerously low levels, the world

wheat picture remains more buoyant. (see Strategies).

From a technical point of view, we appear to be close to an oversold situation but, at the moment, the trend remains down.

Canadian Grain

Canola

Canola followed beans lower with the JUL dropping \$35.30 to settle at \$614.00/MT.

Although domestic demand remains strong, export business seems to have dried up. China's indication they may not be back in the canola market for the immediate future also weighed on prices. Recent moisture and the collapse in wheat prices has some market analysts speculating canola may find additional acres when the drills begin to roll.

Basis levels remain extremely wide for both old and new crop deliveries at most locations. Anyone looking to price new crop canola on bounces would be well-advised to lock-in the futures portion of the contract only.

Feedgrain

Barley prices remain fairly stable in both cash and futures market. Concern that producers may seed fewer barley acres this spring (StatsCan) offset the weakness in US corn. JUL barley dipped just \$2.50 to \$248.50/MT.

The ICE feed wheat contract appears to be dead in the water. No trades, no change in the JUL contract which closed the week at \$300.00/MT.

Edible pea bids remain stable for both old and new crop sales. With new crop yellow pea prices hovering around \$10/bu it may be advisable to get something on the books in light of falling prices for almost all other crops.



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Strategies

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

Seeding & Progress Report

The grain market psychology appears to have changed for the time being.

The US dollar appears to be forming a bottom (in light of speculation the FED may forego further interest rate cuts) and a slide in outside markets such as gold were two reasons given for further speculative selling in grains. When futures were on the rise, almost every tidbit of news was used as an excuse to push prices higher. Now, the shoe's on the other foot.

Corn is Slow

Although corn planting progress remains slow and many areas are receiving even more rain as we speak, the fact that SOME planters are going is enough to depress prices.

Recent media attention about global food shortages has some analysts now speculating that when the new US administration is elected, they'll be pressured to reduce the amount of ethanol mandated for use in the US to blunt criticism over using "food for fuel".

Wheat is Vulnerable

Of all the crops, wheat seems especially vulnerable at the present time. Unlike the recent rallies in corn and soybeans which were largely demand driven, wheat's strength came courtesy of world-wide production problems.

This week's USDA winter wheat crop condition report actually saw a slight reduction in the amount of crop designated in the good-to-excellent category due to dryness concerns in the Western plains and along the Kansas/Oklahoma border. Flooding in some areas of SRW wheat country also pushed the rating lower.

However, the rest of the world seems to be doing well. The EU crop is in good condition and, this week, the Ukraine announced a resumption of wheat exports into the world market. India also announced their wheat crop continues to improve and they may not need to make any imports in 2009. Recent rains in Australia have that crop going into the ground in much better shape than the past couple of years. (Recent crops have been disasters). All in all, the trade is convinced we're looking at a global bumper wheat crop and unless something comes along to change that perception, any rallies in the wheat market will simply be seen as selling opportunities.

Since the middle of March, new crop KCBT wheat futures have dropped over \$4.00/bu. In fact, wheat is dropping so fast, many cattle feeders in the US are already starting to pencil out the benefits of feeding wheat rather than \$6.00/bu corn. How quickly things can turn.

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!

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, malt	CWB contract	08-09	Halkirk
barley, malt	CWB contract	08-09	Vegreville
barley, feed	\$5.00 FOB	June	Mossleigh
canola, heated	\$8.68 net delivered	May	Viking
canola, heated	\$7.77 FOB	May	Vermilion
oats, milling	\$3.14 FOB	June	Bashaw
oats, milling	\$3.50 FOB	September	Mannville
oats, feed	\$2.56 FOB	April	Thorsby
oats, heated	\$2.06 FOB	April	Thorsby
oats, feed	\$2.63 FOB	April	Thorsby
rye, feed	\$9.95 FOB	Apr-May	Ponoka
wheat, white	\$7.35 FOB	Apr-Jun	Ponoka
wheat, protein	\$8.50 FOB	May	Bashaw
wheat, feed	\$7.50 FOB	Apr-May	Craigmyle

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	May	\$4.74 del Consort/Czar
barley	May	\$4.85 del Eckville
barley	June	\$4.96 del Calgary
barley	August	\$5.00 del Ferintosh
barley	Sep-Oct	\$5.05 del Brooks
barley	Sep-Oct	\$5.13 del Calgary
barley	Sep-Oct	\$5.22 del Lethbridge
barley	Sep-Oct	\$4.13 del Carseland
barley	Nov-Dec	\$5.22 del Calgary
barley	Jan-Mar	\$5.39 del Lethbridge
wheat, feed 13.0% prt	May-June	\$8.52 del Red Deer
wheat, feed 12.5% prt	Sep-Oct	\$7.71 del Red Deer
wheat, feed 12.5% prt	Nov-Dec	\$7.84 del Red Deer
peas, feed	May	\$7.57 del Edmonton
peas, green edible	May	\$9.75 del Innisfail
peas, yellow edible	May	\$10.00 del Innisfail
peas, yellow edible	Sep-Oct	\$9.75 del Innisfail
peas, yellow edible	Dec-Jan	\$10.00 del Innisfail
rye, milling	Sep-Oct	\$6.50 del Lethbridge
canola	July	\$13.88 del Fort Sask
canola	July	\$14.20 del Lloyd
canola	October	\$13.57 del Lloyd
canola	January	\$14.04 del Fort Sask
canola	January	\$13.22 del Lloyd
canola	February	\$14.38 del Fort Sask
oats, feed	April	\$2.70 del Thorhild
oats, feed	April-May	\$2.57 del Wainwright
oats, feed	April-May	\$3.03 del Pincher Creek
oats, milling	May	\$3.32 del Martensville
oats, milling	June	\$3.41 del Martensville
oats, milling	July	\$3.44 del Martensville
oats, milling	August	\$3.48 del Martensville
oats, milling	Sep-Oct	\$3.73 del Martensville
oats, milling	November	\$3.79 del Martensville
oats, milling	December	\$3.84 del Martensville

CWB April 2008-09 Average PRO

	April PRO	Alberta		Sask		BC	
		Average Deduc	Return	Average Deduc	Return	Average Deduc	Return
Wheat							
1 CWRS 14.5	\$10.12	\$1.38	\$8.74	\$1.63	\$8.49	\$1.32	\$8.80
1 CWRS 13.5	\$9.88	\$1.38	\$8.50	\$1.63	\$8.25	\$1.32	\$8.56
1 CWRS 12.5	\$9.72	\$1.38	\$8.34	\$1.63	\$8.09	\$1.32	\$8.40
1 CWRS 11.5	\$9.55	\$1.38	\$8.17	\$1.63	\$7.92	\$1.32	\$8.23
2 CWRS 13.5	\$9.72	\$1.38	\$8.34	\$1.63	\$8.09	\$1.32	\$8.40
2 CWRS 11.5	\$9.39	\$1.38	\$8.01	\$1.63	\$7.76	\$1.32	\$8.07
3 CWRS 13.0	\$9.31	\$1.38	\$7.93	\$1.63	\$7.68	\$1.32	\$7.99
3 CWRS	\$9.06	\$1.38	\$7.68	\$1.63	\$7.43	\$1.32	\$7.74
4 CWRS	\$8.65	\$1.38	\$7.27	\$1.63	\$7.02	\$1.32	\$7.33
1 CWHW 13.5	\$9.88	\$1.38	\$8.50	\$1.63	\$8.25	\$1.32	\$8.56
1 CPSR	\$8.93	\$1.38	\$7.55	\$1.63	\$7.30	\$1.32	\$7.61
1 CPSW	\$8.93	\$1.38	\$7.55	\$1.63	\$7.30	\$1.32	\$7.61
1 CWRW Sel 11.5	\$9.14	\$1.38	\$7.76	\$1.63	\$7.51	\$1.32	\$7.82
1 CWRW	\$8.79	\$1.38	\$7.41	\$1.63	\$7.16	\$1.32	\$7.47
1 CWES	\$9.06	\$1.36	\$7.70	\$1.64	\$7.42	\$1.32	\$7.74
1 CWSWS	\$8.46	\$1.38	\$7.08	\$1.63	\$6.83	\$1.32	\$7.14
CW Feed	\$6.78	\$1.38	\$5.40	\$1.63	\$5.15	\$1.32	\$5.46
Durum							
1 CWAD 14.5	\$12.06	\$1.37	\$10.69	\$1.47	\$10.59	\$1.32	\$10.74
1 CWAD 13.0	\$11.89	\$1.37	\$10.52	\$1.47	\$10.42	\$1.32	\$10.57
1 CWAD 12.5	\$11.87	\$1.37	\$10.50	\$1.47	\$10.40	\$1.32	\$10.55
1 CWAD 11.5	\$11.78	\$1.37	\$10.41	\$1.47	\$10.31	\$1.32	\$10.46
2 CWAD 13.0	\$11.65	\$1.37	\$10.28	\$1.47	\$10.18	\$1.32	\$10.33
2 CWAD 11.5	\$11.51	\$1.37	\$10.14	\$1.47	\$10.04	\$1.32	\$10.19
3 CWAD 13.0	\$11.16	\$1.37	\$9.79	\$1.47	\$9.69	\$1.32	\$9.84
3 CWAD	\$10.97	\$1.37	\$9.60	\$1.47	\$9.50	\$1.32	\$9.65
4 CWAD	\$10.31	\$1.37	\$8.94	\$1.47	\$8.84	\$1.32	\$8.99
5 CWAD	\$6.78	\$1.37	\$5.41	\$1.47	\$5.31	\$1.32	\$5.46
Feed Barley							
1 CW Pool A	\$5.12	\$1.23	\$3.89	\$1.39	\$1.39	\$1.15	\$3.97
Designated Barley							
SS CW 2-row	\$7.71	\$1.25	\$6.46	\$1.39	\$6.32	\$1.20	\$6.51
SS CW 6-row	\$7.27	\$1.25	\$6.02	\$1.39	\$5.88	\$1.20	\$6.07

PRO Commentary 2008-09 Crop Year

Wheat

Historically high price volatility has continued, particularly in US wheat where DEC 08 values dropped \$1.50/bu over the past month. Contributing factors include: uncertainty whether old-crop supplies will cover core demand; government decisions limiting exports or increasing imports in a number of regions; and weather-based concerns about the upcoming crop. Probability of an extremely tight supply-demand balance in 2008-09 has decreased as crop conditions improve in key wheat-producing countries, a factor that has weighed on both old-crop and new-crop futures.

Winter wheat crops in the US and Black Sea received timely rains, increasing production prospects. Spring wheat acres in Canada and the US are expected to increase by 9% and 8%. This should lead to a higher level of supply of spring wheat than in 2007-08. A substantial increase in global wheat production for 2008-09 is currently forecast.

Durum

International prices have been pressured by the impending harvest of desert durum crops in Mexico and the US. StatsCan indicates an increase in durum sowings of 22.5%, while the latest seeding intentions report from the USDA forecasts a 22% increase in US durum. Spain and southern France have received timely rain, which has also boosted crop prospects.

Feed barley

Pool A: The PRO remains unchanged. Increased global supplies of barley are expected in 2008-09, which should pressure new crop values. New crop prospects are very favourable in the EU and Black Sea. Tightness in US corn is very supportive for corn prices and will support feed grain prices, including barley.

Designated barley

Overall market fundamentals remain positive due to low stocks of available malting barley. However, demand in China has been weaker than expected, which has negatively impacted the offshore price for designated barley. Strong demand from the US has partially offset the lack of Chinese activity. Increased new crop supplies from Europe and Australia are expected in the upcoming year, while demand from major importing regions should remain strong. Good quality crops must be realized in both Europe and North America to significantly reduce malt-barley prices.

Good luck seeding!

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.

1995 GMC SLE Suburban: Loaded, 234,000 km, premium shape, AB SK safety done, \$6,500 OBO. Phone John in Lloydminster at (780) 875-8115.

1998 Chev Suburban LT: 4x4, loaded with leather, one owner, well-maintained, excellent condition, 400,000 km. Phone Fred in Innisfail (403) 357-4408.

For Sale April 26: JD 3970 forage harvester, XP 2 Silopress 8' silage bagger, Jiffy high dump wagon, Jiffy feed wagon. Phone Jamie in St. Albert at (780) 914-6027.

Heated Canola Prices!

max 15%	\$9.25 delivered Edmonton
max 20%	\$8.91 delivered Edmonton
max 25%	\$8.68 delivered Edmonton
max 35%	\$8.11 delivered Edmonton
max 40%	\$7.66 delivered Edmonton
max 60%	\$6.75 delivered Edmonton
max 70%	\$5.85 delivered Edmonton
max 90%	\$4.49 delivered Edmonton
Southern Alberta ... deduct 18 cents for Crossfield deliveries	

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