

At Market Master

by Shelley Wetmore

June 6, 2008.....

Finally, some improvements with canola and oat prices. Have a look at the Bid Board. There are some good opportunities to consider as part of your marketing plan.

There's still limited space available for milling oats at higher levels in November and December, then forward. Anyone with old crop milling oats, at this point, will have to sell into the feed market or keep in the bin until new crop.

Some malt contract prices have dropped 50 cents/bushel since inception and feed barley bids for the fall have dropped about 35 cents in Southern Alberta but remain firm in central and northern Alberta.

We're looking for flax again, so if you have some in the bin, please call with a firm offer. Prices are over the \$16.00/bu mark, at the bin.

Weather systems are all the talk this week. Many areas of Manitoba are highlighted with rainfall warnings and severe thunderstorm watches. Here in Alberta, storms ARE here. One producer in the Vermilion area said he received over 2 inches (plus hail) in a two-hour period ... he's heading out to the field to assess damage. The US is experiencing the same predicament.

Watching ICE

Your weekly closing ICE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Jul 08	\$646.10	\$620.50	\$25.60
Nov 08	\$671.20	\$644.90	\$26.30
Jan 09	\$681.80	\$655.70	\$26.10
Mar 09	\$685.50	\$665.00	\$20.50
May 09	\$697.70	\$673.90	\$23.80
Jul 09	\$702.40	\$681.80	\$20.60
Nov 09	\$675.00	\$658.70	\$16.30
Jan 10	\$679.70	\$663.40	\$16.30
Barley	This Week	Last Week	Diff +/-
Jul 08	\$230.00	\$224.70	\$5.30
Oct 08	\$241.00	\$237.90	\$3.10
Dec 08	\$250.50	\$247.20	\$3.30
Mar 09	\$257.70	\$250.00	\$7.70
May 09	\$257.70	\$250.00	\$7.70
Jul 09	\$257.70	\$250.00	\$7.70

Be Grainwise!

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

US Grain

Soy Complex

Soybeans surged to new contract highs this week despite a sharp sell-off late Friday due to profit-taking going into the weekend.

Wet weather in the Midwest (see Strategies) coupled with new crude oil highs had the bean market rockin' and rollin'. In fact, at one point today, crude oil trading was halted for about 15 minutes and, when trading resumed, the limit had been raised to \$20/bbl!

The on again, off again Argentinean farmer strike appears to be back on, shifting additional demand to American soil. That demand was demonstrated in this week's export sales report which indicated sales have already surpassed the USDA annual projection and we still have almost 3 months to go in the marketing year.

On the week, JUL beans fired 94 cents higher to \$14.57½/bu while meal blasted \$31.50 higher to \$373/t. Oil bounded 3.03 cents/lb higher to 64.34/t.

Corn

JUL corn also had a stellar week, closing up 51½ cents to \$6.50¾/bu, setting not only new contract highs but a new weekly high as well. Some new crop months are within a whisker of \$7/bu!

Wet weather is leading to yield reduction concerns. Another strong week of exports at 702,400 mt also helped push prices higher. Despite poor planting conditions for most of the spring, traders tended to look the other way. However, the real possibility of fewer planted acres and/or lower yields is starting to hit home. AND, as we all know, corn supplies look to be tight even under ideal circumstances.

Next Tuesday's USDA S/D report may also have played a role in focusing trader's attention.

Wheat

Excessive moisture is a concern in the SRW wheat market. Possible yield reductions and the increased threat of fusarium pushed JUL CBOT 49½ cents higher to \$8.11/bu. KCBT wheat pushed 44¾ cents higher to \$8.46¾/bu. However, MGE wheat dipped 27¾/bu lower due to

the closing-out of long positions by commercials as the wheat marketing year comes to an end.

Although early yield results for both SRW and HRW wheat look to be strong, protein levels are lower than hoped for. This gave MGE wheat a boost late in the week. With the marketing year for wheat now over, it appears yearly sales fell just short of USDA expectations.

Canadian Grain

Oilseeds

Canola's surge late in the week on strength in bean and crude oil markets lifted the JUL contract \$25.60 higher to \$646.10/MT. Strong crusher demand due to favourable crush margins buoyed the market as did rumours of fresh export demand. However, those rumours couldn't be confirmed by the time of writing. A lower dollar and fresh speculative interest also boosted prices. Generally favourable conditions and much needed rain in dry portions of Saskatchewan and Manitoba kept a lid on further advances.

Feedgrain

Barley rebounded this week with the JUL closing \$5.30 higher to \$230.00/MT. The influence of a strong corn market was muted by good growing conditions here in Alberta. The cash barley market remains little changed.

JUL wheat futures remained unchanged and untraded.



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Strategies

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

Weather Markets

There's an old saying in the grain markets that "rain makes grain". However ... is it possible to have too much of a good thing?

That's the thinking these days as the **US Midwest** (which has been plagued all spring by wet, cool weather) is now really getting hammered with heavy rains, in some cases up to 10 inches! The already saturated soils are simply unable to handle that kind of precipitation and the forecast is calling for more rain over the weekend.

It's getting late for corn planting but it's feared some producers may be looking at reseeded because of the surplus moisture. However, corn planted at this late stage would have to be one of the early maturing varieties which tend to have lower yields than later maturing varieties. In some areas, there's concern than nothing will be seeded in some fields—it's just too wet to work the land.

There's even concern that soybean yields could suffer even though they can be planted much later than corn without adversely affecting yield. To put things into perspective ... about 4 mln acres intended for corn have yet to be seeded and 20 mln bean acres have yet to go into the ground.

Other Factors

There are a couple of other factors which should be noted:

1. The first is regulatory. So far, the CFTC appears to be toning down their language concerning possible regulatory changes concerning the participation of commodity and index funds in the futures markets. Fund managers seemed encouraged and were more inclined to jump on the long side of the market once again.
2. The other issue is Tuesday's USDA S/D report. Anecdotal evidence suggests possible yield and or acreage reductions for corn and

possibly beans. Trader's are waiting anxiously to see if the USDA concurs.

Technical Analysis

From a technical point of view, both the bean and corn charts look very strong with both markets breaking sharply to the upside following weeks of range bound sideways trade. The corn chart (and to a lesser degree, the bean chart) had a classic double-bottom formation about a week ago that could have been a harbinger of higher markets but I doubt that even the most optimistic technical trader would have expected the bounce we got this week.

At this point, we're dealing almost entirely with a weather market. We had a good week but things can turn on a dime. The market is only as strong as the last forecast.

World-Class Event in Alberta

The Canadian South Devon Association and its 22 members are hosting the South Devon World Association Conference and the World Association of South Devon Breeders Tour of Western Canada on July 2 to 19. The South Devon World Association represents the interests of South Devon breeders around the world. **This is the first time Canada has hosted the prestigious World Congress**, which is held every three years in a member country.

South Devon cattle were originally imported into Canada in 1969 and 1970 from southwestern England. The Canadian South Devon Association formed in 1975.

International delegates from Australia, England, New Zealand, the United States, and Wales arrive July 2, joining Canadian South Devon breeders in Regina, Saskatchewan, Alberta and BC. Highlights of the professionally guided tour include South Devon and commercial cattle ranch visits, tours to historical and point of interest sites in the three provinces, major city tours and the Calgary Stampede.

On July 10, a special presentation on the IGENITY® profile from Merial Canada will accompany the tour of Cattleland Feedyards in Strathmore. All cattle producers and interested individuals are invited to attend the events at Cattleland Feedyards with pre-registration to Garth Elgie at garth.elgie@merial.com.

The 7th World Conference, being held at the Delta Lodge in Kananaskis on July 13 and 14, will cover topical issues on international genetics, performance recording and world evaluations. Continuing from the last Congress will be discussions on crossbreeding, breed development and global marketing opportunities. All member association countries will make presentations on developments in their organizations since the last World Congress held in the United Kingdom in 2005. The 18-day Congress concludes in Vancouver on July 19.

Complete information and registration can be found at www.southdevon.ca. For activities in local regions contact a South Devon breeder in the members directory on the website.

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!

Conversion Table

40 MT of	Equals	# of bu
barley	x 45.930	1,837 bushels
wheat, peas	x 36.744	1,470 bushels
canola	x 44.092	1,764 bushels
flax, rye, corn	x 39.368	1,575 bushels
oats	x 64.842	2,594 bushels

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 40 lb	\$3.00 FOB	June	Galahad
barley, 46 lb	\$4.50 FOB	June	Lougheed
barley, 48 lb	\$4.75 FOB	June	Daysland
barley, 48 lb	\$5.00 FOB	June	Barons
barley, 48 lb	\$4.72 FOB	Jun-July	Viking
barley, 48 lb	\$4.50 FOB	September	Kinsella
barley, 48 lb	\$4.78 FOB	June	Delburne
barley, 50 lb	\$4.75 FOB	June	St. Albert
barley, 50 lb	\$4.75 FOB	June	Halkirk
barley, 50 lb	\$4.75 FOB	June	Galahad
barley, 50 lb	\$4.75 FOB	June	Camrose
barley, 53 lb	\$4.75 FOB	June	Donalda
barley, 54 lb	\$4.75 FOB	June	Millet
barley, malt	CWB PRO	Aug-Jul 09	Rollyview
canola	\$13.62 FOB	June	Consort
canola	\$14.43 FOB	June	St. Paul
canola	\$13.74 FOB	September	Kinsella
oats, milling	\$2.95 FOB	June	Vegreville
oats, milling	\$3.55 FOB	November	Consort
oats, feed	\$2.54 FOB	May-Jun	Rowley
oats, feed	\$2.75 FOB	June	Consort
oats, feed	\$2.75 FOB	June	Westlock
oats, feed	\$2.65 FOB	June	St. Paul
oats, feed	\$2.95 del Vermilion	June	St. Paul
oats, feed	\$2.70 FOB	June	Breton
oats, #2 CW	\$3.45 del Edmonton	October	St. Albert
oats, #2 CW	\$3.45 del Edmonton	October	Beaumont
wheat, feed	\$7.68 FOB	June	Galahad
wheat, feed	\$6.86 FOB	Sep-Oct	Kinsella
wheat, feed	\$7.41 FOB	Jan 09	Bon Accord
wheat, feed	\$7.55 FOB	June	Holden
peas, green	\$7.00 FOB	June	Paradise Valley
peas, yellow	\$9.70 FOB	June	Westlock
peas, yellow	\$9.85 del Innisfail	Aug-Oct	St. Michael

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	Jun-Jul	\$5.02 del Olds
barley	July	\$5.00 del Lacombe
barley	Nov-Dec	\$4.91 del Calgary
barley	Jan-Feb 09	\$4.96 del Brooks
barley	Jan-Mar 09	\$5.00 del Calgary
wheat, feed 13% prt	Jun-July	\$8.11 del Red Deer
wheat, feed	Sep-Nov	\$6.75 del Red Deer
wheat, feed 12.5% prt	Sep-Oct	\$7.43 del Red Deer
wheat, feed 12.5% prt	Nov-Dec	\$7.57 del Red Deer
wheat, feed 12.5% prt	Jan-Mar 09	\$7.84 del Red Deer
peas, yellow edible	June	\$10.25 del Innisfail
peas, yellow edible	Aug-Oct	\$9.85 del Innisfail
peas, green edible	Sep-Oct	\$9.00 del Innisfail
peas, yellow edible	Nov-Jan 09	\$10.00 del Innisfail
rye, feed	June	\$6.95 del Lethbridge
canola	May	\$14.80 del Vermilion
canola	June	\$13.79 del Vermilion
canola	June	\$14.03 del Lloydminster
canola	July	\$13.72 del Fort Sask
canola	October	\$14.04 del Lloydminster
canola	December	\$14.39 del Lloydminster
canola	Jan 2009	\$14.62 del Lloydminster
canola	Feb 2009	\$14.36 del Fort Sask
canola	Mar 2009	\$14.64 del Fort Sask
canola	May 2009	\$14.75 del Fort Sask
oats, feed	June	\$2.95 del Vermilion
oats, feed	June	\$2.76 del Sedgewick
oats, feed	June	\$3.11 del Lethbridge
oats feed	June	\$3.34 del Coaldale
oats, feed	June	\$2.76 del Thorhild
oats, #2 CW	September	\$3.25 del Vermilion
oats, #2 CW	October	\$3.45 del Edmonton
oats, #2 CW	November	\$3.55 del Edmonton
oats, milling	November	\$3.86 del Martensville
oats, milling	December	\$3.89 del Martensville
oats, milling	January 09	\$3.94 del Martensville
oats, milling	February 09	\$3.96 del Martensville
oats, milling	March 09	\$3.98 del Martensville

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By the Number	This Week	Last Week	Diff
CME Live Cattle (JUN)	93.950	96.525	(2.575)
CME Live Hogs (JUN)	75.100	77.750	(2.650)
CDN Dollar (JUN)	0.980	1.005	(0.025)
Minneapolis Wheat (JUL)	8.11	7.61	0.500
Kansas City Wheat (JUL)	8.44	8.02	0.420
Chicago Oats (JUL)	3.99	3.82	0.170

Classifieds

Common Oat Seed: \$6.00/bu, bulk, in Fort Saskatchewan, call Galloway Seeds at (780) 998-3036.

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

Certified Seed: AC Foremost available, 1,500 bu. Contact Lorne Semler, Barrhead area @ (780) 349-0712.

Registered AC Morgan: oat seed available (cleaned) plus common varieties. Call Doug Livingstone, Vermilion at (780) 763-2385.