

At Market Master

by Shelley Wetmore

September 07, 2007.....

Prices continue to rally. Neil Blue comments on the wild US wheat market and it's definitely being reflected here in the cash wheat market.

If you have good quality feed wheat with 13% or more protein, you can get \$5.00/bu—at the bin! If this is feed wheat you want to move out soon, it can be picked up as early as next week for your convenience. Prices in the Peace will be slightly lower.

Canola prices have been consistently over \$9.00/bu at the bin this week and have reached the \$9.50 range for the spring/summer of 2008. Prices for next fall are also in the \$9.00 range.

Current feed barley prices are in the \$3.50/bu range in most areas or higher. The outlook for later in the fall are about 10 cents to 20 cents higher.

Edible yellow peas continue to slowly increase, most buyers paying in the \$6.50/bu range for immediate delivery. The green market, however, is quite stagnant. Buyers don't expect much activity until later in November or so.

Let's hope for some dry weather!

Watching Winnipeg

Your weekly closing WCE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Nov 07	\$421.50	\$413.50	\$8.00
Jan 08	\$432.10	\$424.00	\$8.10
Mar 08	\$441.70	\$433.10	\$8.60
May 08	\$446.10	\$437.00	\$9.10
Jul 08	\$450.30	\$441.50	\$8.80
Nov 08	\$431.40	\$431.50	(\$0.10)
Wheat	This Week	Last Week	Diff +/-
Oct 07	\$195.00	\$185.00	\$10.00
Dec 07	\$200.50	\$190.00	\$10.50
Mar 08	\$205.50	\$195.00	\$10.50
May 08	\$208.50	\$198.00	\$10.50
Jul 08	\$211.50	\$201.00	\$10.50
Barley	This Week	Last Week	Diff +/-
Oct 07	\$177.10	\$172.60	\$4.50
Dec 07	\$187.00	\$181.80	\$5.20
Mar 08	\$193.00	\$188.00	\$5.00
May 08	\$195.50	\$190.80	\$4.70
Jul 08	\$198.00	\$193.70	\$4.30

Be Grainwise!

by Guest Columnist ... Neil Blue, Marketing Specialist, Alberta Agriculture

US Grain

Corn

Corn benefited from the wheat rally. Skyrocketing wheat prices will push more of the lower grade wheat into milling categories, leaving less wheat for livestock feeding and implying more demand for other feed grains. Offsetting corn buying was the beginning of the US harvest as well as private estimates of higher 2007 US corn production.

At Friday's close of \$3.47, DEC corn gained 7 cents. Technically, the Aug 27 downside price gap (\$3.58 on DEC) was not filled. DEC futures are range bound for now between \$3.57 and \$3.25.

Soy Complex

Bean prices continued their uptrend, trading in a 30-cent range. NOV futures actually hit a high of \$9.16/bu. Current US bean supplies are abundant but stocks will be drawn down considerably during this crop year because of lower acreages.

Meal prices are supported by higher feed prices in Europe and the EU policy to not import genetically modified corn. OCT closed at \$248.70/t, up \$7.60.

Oil prices were supported by higher crude oil prices, which approached all-time highs. OCT futures closed at 37.44 cents/lb, up 65 points over the week.

NOV soybeans gained 23 cents this week to close at \$9.05.

Wheat

Nearby US wheat futures moved limit-up Tuesday, inspired by confirmation that India had purchased 795,000 tonnes of wheat in their latest tender. This level was well above expectations and the average price, delivered to India, was reported to be \$10.60/bushel US. Later in the week, Morocco bought 530,000 tonnes of wheat. Adding to the bullishness was continuing concern of dryness in Australia and Argentina. Panic buying pushed nearby contracts limit up again on Wednesday. After a pause Thursday, wheat markets closed on a strong tone Friday at new highs, leaving no upside resistance on the charts. The talk is that, even with extremely high wheat prices amid tight supplies, wheat buyers will

buy wheat regardless of cost.

From last Friday, DEC CBOT wheat gained 68 cents to \$8.44, DEC Kansas wheat gained 76 cents to \$8.08, and DEC MGE hard red spring wheat was up 62 cents a bushel to close at \$7.74.

Canadian Grain

Canola

Futures broke into new contract highs and the uptrend continues. Supporting canola prices was the move above previous rally highs, more rain delays in Western Canada, and stronger rapeseed oil prices. More cash bids exceeded the \$9.00/bu this week. That is still a common target for many producers, so rallies above that level will be restrained, at least during harvest. Despite mediocre basis levels, these cash and deferred prices look very attractive.

Feedgrain

Cash barley prices were higher with Lethbridge area bids around \$190/t. DEC barley gained \$5.20 to \$187.00/MT, after a new contract high Wednesday. With imported US corn quoted at around \$190 delivered to southern Alberta, additional upside to feed barley prices may be restrained.

Oats regained some price this week. Despite much higher expected production, it makes sense oat prices would get dragged higher as a feedgrain.

Wheat prices burst higher with the sharp rally in US milling wheat prices. Pending harvest completion without additional downgrading of wheat quality, feed wheat supplies have tightened considerably from last fall. OCT futures gained \$10.00 to \$195.00/MT, just below the new contract high set Wednesday.



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Harvesting Canola

From AAFRD, Doon Pauly

What is the optimal stage for swathing canola?

Canola should be swathed when the average seed moisture content is 30-35% which corresponds to 30-60% of seeds will have some color change. Swathing decisions should be based on observations of seed color change on the plant's main stem. At the optimal time for swathing, seed in the middle third of the main stem will have at least some color change, the most mature seed in the bottom third of the stem will have complete color change, and the seed in top pods will be green but firm and not squish when rolled between fingers. Remember, pod color change may be a poor indicator of maturity—check for seed color change throughout the field to best estimate harvest staging.

If swathing starts at this optimal stage, won't the canola be shattering before everything is cut down?

Producers who have a lot of canola acres that are all maturing about the same time will have to balance swathing a little early, and possibly having some shrinkage losses, with late swathing and having shattering losses. In these situations it is probably best to start swathing when seed in the bottom third of plants is just starting to show color change. By starting a little early, hopefully the last fields to be swathed will not have shattering or any losses can be minimized by swathing when the crop is damp.

How much yield is lost by swathing early?

Research indicates that canola swathed with 0-10% seed color change yields about 90% of crops swathed at the optimal stage. Swathing when at least 10% of the seeds have some color change is the earliest canola can be swathed without significant yield losses.

Is there a problem with swathing in hot weather?

The enzymes that clear the chlorophyll from seed stop functioning at moisture contents of 20% or less. If canola is swathed during hot, windy weather that rapidly dries the immature seed to less than 20% moisture, the green color will not clear. Rainfall and rewetting in the swath may reactivate these enzymes but this cannot be counted on or results may be inconsistent. In hot weather the optimal time to swath may be at 50 – 60% seed color change on the whole plant to minimize the risk of fixing green seed.

With a risk of frost isn't it best to have canola in the swath?

If green seed is frozen, the green color is fixed since frost permanently deactivates the enzymes responsible for clearing chlorophyll from seed. Canola at 30-35% moisture needs to be in the swath for several days of good drying prior to frost to reduce the risk of green seed. Seed with less color change at swathing will need even more time in the swath to escape frost damage.

Even though swathing prior to frost doesn't eliminate the potential for damage, in some cases it may reduce the amount of green seed that is fixed. A windrow of canola has insulative properties and can retain some of the radiant energy released from the ground. In mild frost situations, canola on the outside of the windrow may be exposed to lethal frost that fixes green seed, but within the swath the temperature remains at safe levels. In this scenario the harvested canola will still have some greens, but the overall green seed content will be lower than if all the canola had been exposed to lethal temperatures.

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	September	\$4.02 del Lethbridge
barley	Nov-Dec	\$4.13 del Lethbridge
barley	December	\$4.09 del Lethbridge
barley	Feb-Mar 08	\$4.24 del Lethbridge
wheat, feed	Sep-Dec	\$4.71 del Red Deer
wheat, 12.5%	Sep-Dec	\$5.39 del Red Deer
wheat, feed	September	\$4.98 del Lacombe
wheat, 12.5%	September	\$4.98 del Ferintosh
wheat, feed	Sep-Dec	\$5.27 del Lloydminster
wheat, feed	October	\$4.98 del Edmonton
wheat, feed	Oct-Dec	\$5.50 del Lethbridge
wheat, feed	Jan-Mar 08	\$5.64 del Lethbridge
peas, feed	September	\$5.39 del Edmonton
peas, yellow	October	\$6.80 del Innisfail
peas, yellow	October	\$6.50 del Wainwright
rye, feed	September	\$3.95 del Three Hills
rye, milling	October	\$4.07 FOB Vulcan
oats, milling	December	\$2.25 del Martensville
oats, milling	January 08	\$2.36 del Martensville
oats, milling	February 08	\$2.42 del Martensville
oats, milling	March 08	\$2.47 del Martensville
canola	Oct-Nov	\$10.02 del Vancouver
canola	October	\$9.29 del Edmonton
canola	November	\$9.34 del Edmonton
canola	May-Jun 08	\$9.71 del Fort Sask
canola	May-Jun 08	\$9.71 del Fort Sask
canola	Oct-Nov 08	\$9.17 del Fort Sask
flax	October	\$9.20 del Edmonton

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 50 lb	\$3.87 FOB	September	High River
barley, 50 lb	\$3.50 FOB	September	Wainwright
barley, 48 lb	\$3.60 FOB	November	Camrose
Barley, 48 lb	\$3.55 FOB	November	Camrose
wheat, feed	\$4.60 FOB	September	Bon Accord
peas, yellow	\$6.20 FOB	September	St. Albert
canola	\$9.10 del Edmonton	October	Camrose
canola	\$9.35 del Edmonton	October	Vegreville
canola	\$9.14 del Edmonton	September	Leduc
canola	\$9.48 del Edmonton	May 08	Camrose

Don't miss market fluctuations.
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 harvesting or out of communication range!