

At Market Master

by Shelley Wetmore

September 21, 2007.....

It seems every time I leave the office, “something” happens in grain markets. Friday was such a day. During my excursion out of the office, I heard all kinds of rumours and price offers about feed barley that made me question if I was in the land of Oz or not. Monday, I’ll firm up pricing and see what excitement grain producers can look forward to and what livestock producers are going to do to reduce feed input costs. It seems always to be that one side of the fence prospers while those on the other side are in constant grief. Never have I experienced where both grain growers and grain users are at a happy medium at the exact same time.

Reminder ... send your samples in sooner than later to enable quick testing during the harvest rush. That includes:

peas, oats, malt barley, CWB wheat

Once your grain receives the test results, THEN you can sit back and decide exactly WHEN you want to market your grain ... it doesn’t have to be now ... **at least you know WHAT you’re selling!**

Watching Winnipeg

Your weekly closing WCE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Nov 07	\$4.29.40	\$437.00	(\$7.60)
Jan 08	\$441.50	\$447.80	(\$6.30)
Mar 08	\$449.70	\$455.80	(\$6.10)
May 08	\$457.00	\$461.80	(\$4.80)
Jul 08	\$458.30	\$466.00	(\$7.70)
Nov 08	\$434.80	\$435.00	(\$0.20)
Wheat	This Week	Last Week	Diff +/-
Oct 07	\$207.00	\$201.20	\$5.80
Dec 07	\$214.00	\$212.00	\$2.00
Mar 08	\$211.00	\$215.00	(\$4.00)
May 08	\$217.00	\$218.00	(\$1.00)
Jul 08	\$220.00	\$221.00	(\$1.00)
Barley	This Week	Last Week	Diff +/-
Oct 07	\$198.00	\$180.00	\$18.00
Dec 07	\$207.20	\$190.00	\$17.20
Mar 08	\$216.50	\$197.00	\$19.50
May 08	\$219.50	\$199.50	\$20.00
Jul 08	\$222.20	\$202.00	\$20.20

Be Grainwise!

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

US Grain

Grain markets ended the week with strong gains. A major factor was the surprise move by the US Federal Reserve to cut US interest rates by half a percentage point. Resulting US dollar weakness, better weekly export sales, and announcements of export restrictions by several grain exporting countries were all supportive to grain prices.

Corn

Despite reports of better than expected US corn yields, corn prices moved higher with DEC gaining 28 cents. Weekly corn export sales were record high for this time of year. Also supportive was news that China will curtail corn exports and possibly even import corn to help ease inflation pressures there.

The multi-week price resistance level (\$3.58 on DEC) was taken out with Thursday’s sharply higher opening. Friday’s upside follow-through price action was also bullish, with corn futures closing above the double top highs of August 23 and July 13.

With harvest of a record US corn crop underway, fund activity will determine whether corn can continue this counter-seasonal price rally.

Soy Complex

Soybean prices continued their sharp uptrend with new contract highs set Thursday as NOV beans approached the magic \$10.00/bu level. Friday, USDA will release their estimates of September 1st grain inventory and beans are expected to be record high. However, it’s the expectation for a rapid drop in bean inventory over the next two years that’s supporting prices. China also announced they’d be cutting soybean import tariffs from 3% to 1% to control inflation.

Meal prices hit new contract highs with strong demand from Europe to replace expensive feed wheat. Record crude oil exceeding \$84/barrel supported the vegetable oil prices in general.

NOV beans rallied 38 cents, OCT meal gained \$12.70/t, and OCT oil futures lost about one-half cent a pound.

Wheat

Nearby US wheat futures registered a choppy week but closed with strong gains Friday. DEC Chicago wheat gained 28 cents to \$8.74, DEC Kansas City wheat gained 29 cents to \$8.58, and DEC Minneapolis hard red spring wheat was up 31 cents/bu to close at \$8.26.

Some market analysts are calling the wheat market “peaked” because of lackluster reaction to additional bullish news. For example, US wheat markets could not hold the gains after Australia reduced their wheat crop estimate from 22.5 to 15.5 million tonnes. Once again, Australia wheat areas had only light showers and Argentina had widespread rains. In export news, India has backed away from additional high-priced wheat imports for now but Pakistan announced they’d tender for wheat imports to build their reserves, despite producing a record wheat crop.

Canadian Crops

Canola

Canola futures prices made new contract highs Monday and Tuesday but then backed off. An estimated 400,000 tonne drop in Australia’s exportable supply of canola provided early week support.

The surprise half point cut in US interest rates pushed the US dollar down, causing a rally in the Canadian dollar. That factor is negative in general for Canadian exports. The exchange rate change, combined with active farmer pricing, pushed canola futures lower into the weekend.

From a chart perspective, there’s potential trouble as futures closed on



8543 - 75 Avenue
Edmonton, AB T6C 0G9
www.grainwatchdog.com
(800) 440-8390

This publication may not be reproduced without permission by **Market Master Ltd.**

(Continued from page 1)

Friday below the uptrend line going back to August 16. Unless canola prices rally back Monday, chart support is another \$2.00 to \$7.00/MT lower than Friday's close. Canola prices are unlikely to fall very far. Longer-term demand for Canadian canola is strong, and farmers will become reluctant to sell below a \$9.00/bu spot price.

Feedgrain

Lethbridge cash barley bids are \$197.00/MT. Winnipeg barley exploded higher Friday, with closes up the \$7.50/MT limit. News reports Thursday quoted CWB officials as saying that feed barley export sales can be made at a price equivalent to \$266.00/MT basis mid-Prairies. If so, that means barley futures are under-priced. OCT barley futures gained a huge \$18.00/MT over the week to close at \$198.00—a new contract high.

Winnipeg wheat futures gains were mild in comparison, with OCT up another \$5.80/MT to close at \$207.00. Wheat futures are unlikely to get left behind barley futures this year, so feed wheat prices will rally if barley does.

Meanwhile, livestock feeders will be checking out prices of US corn and dried distillers grains as replacements for expensive barley and wheat.

Alberta Feeder Associations

Alberta Agriculture and Food and the Feeder Associations of Alberta Ltd. have launched a web page for feeder associations:

www.agric.gov.ab.ca/feeders

The web page includes detailed program information, market information sources, a listing of cattle industry partners and a "What's New" section for news and announcements. There are also links to business management, production and environment information sources.

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	Sep-Oct	\$3.87 del Innisfail
barley	September	\$3.76 del Kinsella
barley	Sep-Oct	\$3.76 del Irma
barley	Sep-Oct	\$4.11 del Lethbridge
barley	October	\$3.67 del Ponoka
barley	Nov-Dec	\$4.46 del Lethbridge
barley	Jan-Mar 08	\$4.67 del Lethbridge
barley	Apr-May 08	\$4.78 del Lethbridge
wheat, feed	Sep-Oct	\$5.39 del Irma
wheat, feed	Sep-Oct	\$5.53 del Red Deer
wheat, feed	Sep-Dec	\$5.54 del Lloydminster
wheat, 12.5% prt	Sep-Dec	\$5.80 del Red Deer
wheat, feed	Nov-Dec	\$5.86 del Lethbridge
wheat, feed	Jan-Mar 08	\$5.77 del Lethbridge
wheat, feed	Apr-Aug 08	\$5.99 del Lethbridge
peas, feed	October	\$5.39 del Edmonton
peas, yellow	October	\$6.95 del Innisfail
peas, yellow	October	\$6.50 del Wainwright
rye, feed	October	\$4.20 del Three Hills
rye, milling	October	\$4.07 FOB Vulcan
oats, milling (old)	September	\$2.70 del Barrhead
oats, milling (new)	October	\$2.50 del Barrhead
oats, milling	December	\$2.48 del Martensville
oats, milling	January 08	\$2.58 del Martensville
oats, milling	February 08	\$2.61 del Martensville
oats, milling	March 08	\$2.66 del Martensville
canola	Oct-Nov	\$10.18 del Vancouver
canola	October	\$9.45 del Edmonton
canola	November	\$9.50 del Edmonton
canola	Dec-Jan 08	\$9.66 del edmonton
canola	May-Jun 08	\$9.89 del Fort Sask
canola	Oct-Nov 08	\$9.24 del Fort Sask
flax	December	\$10.36 del Edmonton

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 48 lb	\$3.50 FOB	September	Calmar
barley, 48 lb	\$3.50 FOB	September	Vermilion
barley, 48 lb	\$3.30 FOB	September	Westlock
barley, 48 lb	\$3.50 FOB	September	Edmonton
barley, 48 lb	\$3.46 FOB	September	Eston
barley, 48 lb	\$3.55 FOB	September	Edmonton
barley, 53 lb	\$3.25 FOB	September	High Prairie
wheat, feed	\$5.81 FOB	October	Millet
wheat, feed	\$5.31 FOB	September	Barrhead
oats milling	\$2.70 FOB	September	Mayerthorpe
oats feed	\$2.07 FOB	September	Athabasca
canola	\$9.77 del Edmonton	November	Killam
canola	\$9.40 del Edmonton	October	Grassland
canola	\$9.45 del Edmonton	October	Athabasca
rye feed	\$3.85 FOB	September	Castor

Don't miss market fluctuations.

Call the office today to set price targets.

Complete a "GPO" form today!

Grain Purchase Orders work while you're busy harvesting or out of communication range!

By the Number	This Week	Last Week	Diff
CME Live Cattle (OCT)	96.700	92.250	4.450
CME Live Hogs (OCT)	61.350	65.550	(4.200)
CDN Dollar (DEC)	1.000	0.971	0.029
Minneapolis Wheat (DEC)	8.72	8.38	0.340
Kansas City Wheat (DEC)	8.58	8.07	0.510
Chicago Oats (DEC)	2.83	2.56	0.270