Grainwise

At Market Master

by Shelley Wetmore

August 1, 2008…………..………………

Every time this year—so far—I've gone camping, the weather has NOT been great. In fact, I've gotten rain each instance. If I get rain this coming long weekend (Miquelon Lake, Camrose area), it might be a sign. Does it mean, I have a new career as a rain maker? We'll see. I could be VERY popular!

Anyways, enough of venting and back to marketing. It appears a few canola buyers are a bit short for August. If you have old crop in the bin you've been waiting to move, you're looking at about $12.70/bu delivered to Fort Saskatchewan and $12.85/bu to Lloydminster next week. If you're interested, give me a call.

Feed barley prices have dropped an average of $5.00/MT at the end of this week, compared to the beginning. There ARE some fall bids in the Bid Board and they're still quite attractive. Reports are coming out that there's going to be a lot of feed wheat from part of Europe and Russia which will be dumped into the global market. This could put pressure on corn, thus put pressure on barley. We'll have to watch.

Combining rye soon? How about $6.00 bu to $6.25/bu at the bin? Give me a call.

Watching ICE

Your weekly closing ICE futures $/MT.

Canola	This Week	Last Week	Diff +/-	
Nov 08	$599.50	$602.40	↓	($2.90)
Jan 09	$611.60	$614.00	↓	($2.40)
Mar 09	$620.30	$622.30	↓	($2.00)
May 09	$630.60	$633.20	↓	($2.60)
Jul 09	$639.10	$642.90	↓	($3.80)
Nov 09	$645.00	$640.20	↑	$4.80
Barley	**This Week**	**Last Week**	**Diff +/-**	
Oct 08	$233.60	$238.10	↓	($4.50)
Dec 08	$241.60	$246.50	↓	($4.90)
Mar 09	$247.60	$252.50	↓	($4.90)
May 09	$249.90	$254.80	↓	($4.90)
Jul 09	$249.90	$254.80	↓	($4.90)
Oct 10	$249.90	$254.80	↓	($4.90)

Be Grainwise!

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

US Grain

The trend in grains and oilseeds remains down. With few fresh fundamentals to guide the market, fund managers have been taking money off the table, particularly in light of weakness in outside markets such as crude oil. Generally favourable weather over most of the US Midwest also weighed on prices.

Soy Complex

The condition of the US bean crop improved again this week and now sits at 62% in the good-to-excellent category—compare that to last year's 58%.

Weekly bean exports came in well above pre-report estimates at 707,600 mt of which 271,600 mt were for new crop sales. Total old crop sales have now surpassed the USDA yearly estimate of 1.145 bln bu and now sit at 1.148 bu.

However, on the week, SEP beans dropped 33 cents to settle at $13.55 1/2 / bu. Meal held up well, falling just 60 cents to $368.40/t while oil drifted 2.65 cents lower to 56.83 cents/lb in sympathy with a weaker crude oil market.

Corn

The condition of the corn crop continues to improve as well with 66% of the crop now rated in the good-to-excellent category. Last year's figure was 58% at this juncture. However, with fewer acres planted, current estimates look for a 11.7 bln bu crop versus last year's 13.1 bln bu. In short, we're going to need all the production we can get.

Weekly exports were solid at 888,900 mt with 825,000 mt of that booked for new crop production.

Nevertheless, corn futures sagged in sympathy with other commodity markets. SEP corn dropped 12 3/4 cents to $5.65/bu.

Wheat

Strong weekly wheat exports of 726,400 mt took traders by surprise and gave the wheat market some much needed support. While the spring wheat crop condition continues to lag behind last year's crop (60% versus 68% in the good-to-excellent category) a recent crop tour actually pedgged expected yields at 37.7 bu/ac versus last year's 37.3 bu/ac—go figure. Although most of the US winter wheat crop is already in the bin and harvest pressure subsiding, the perception that the world will soon be harvesting a record crop (see Streatgies) continues to weigh on prices.

On the week, SEP CBOT wheat fell 17 cents to $7.94/bu, despite a strong showing on Friday. KCBT wheat skidded 7 3/4 cents lower to $8.24 1/2, while MGE wheat gave up 11 1/4 cents to settle at $8.74 3/4/bu.

Canadian Grain

Oilseeds

Considering the weakness in outside oil markets, NOV canola held up well, slipping just $2.90 lower to $599.50/MT.

However, on the technical front, that's the first time this contract has closed below $600. It will be interesting to see if breeching that psychological barrier has any significance as we move forward.

Generally favourable crop conditions were offset to some degree by concern that the lateness of the crop could leave it vulnerable to frost damage. Slow end user demand was met with slow farmer selling as producers gear up for harvest. A weaker Canadian dollar was supportive.

Feegrain

Barley prices slipped this week in both the futures and cash markets. A lower corn market and the expectations for new crop supplies once the combines begin to roll left endusers with little appetite to bid up prices. OCT barley slipped $4.50 lower to $233.60/MT.

As usual, SEP wheat went untraded and remains at $285.00/MT.

Edible pea bids remain firm and the expectation is for prices to remain in the current range through harvest.

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Strategies

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

World Production

Grains and oilseed futures continued their consolidation phase as traders try to get a handle on US and world production.

Fears of reduced production due to excessive moisture and flooding in parts of the US Midwest seem a distant memory as weather conditions have been almost optimal for the past few weeks. Although the US crop is a couple of weeks behind schedule, no one is pushing the panic button just yet.

On the contrary, the mood has gone from one of shortage to one of ample supplies. There was (and still is) much anticipation over the next USDA planted acreage report due in August.

August USDA Report Anticipated

This report was made necessary by the aforementioned flooding and the inability of the USDA to get a handle on possible damage in its June 30 report. However, the USDA may have inadvertently tipped it's hand this week when it announced there would be no "early out" of CRP (Conservation Reserve Program) contracts without penalties. The government has been getting heat on both sides of this issue. Cattlemen have been pushing for additional acres to be released to free up more acres for corn production, thus lowering feed prices, while environmental groups have been threatening lawsuits if the government backed away from its CRP agreements. In the end, things were left pretty much unchanged. And, the reason cited for this lack of action? … There's such a good corn crop on the way, additional acres wouldn't be needed.

IGC Report

This week, the IGC released their monthly report and their findings only reinforced ideas of increasing supply. Global wheat production was boosed 4 mmt to 662 mmt while corn production jumped 3 mmt to 759 mmt. Perhaps even more important was the fact that overall global stocks were raised 1 mmt in the case of wheat and 6 mmt in the case of corn. However, corn stocks are still well below previous levels at 103 mmt versus last year's 115 mmt. The story is not quite as rosy for wheat which looks to be building stocks rapidly, combing over 20 mmt from last year's 123 mmt. Should this crop be realized, prices could be under pressure until competition form other crops for next year's acres begins.

New Members Appointed to Alberta Grain Commission (AGC)

Greg Porozni, chair of the Alberta Grain Commission, is pleased to announce three newly appointed members will begin serving on the Commission effective August 1. Alberta Agriculture Minister George Groeneveld appointed Edmund Lefsrud, Gerard Oosterhuis, and D'Arcy Hilgartner to the AGC.

Ed Lefsrud farms and grows seed in the Viking area. He currently serves as president of the Canadian Seed Growers' Association and in the past has served on the board of the Alberta Branch of the Canadian Seed Growers' Association. Lefsrud was instrumental in the formation of the Seed Industry Partnership (SIP), a union of the provincial government, municipal seed plants and seed growers.

Gerard Oosterhuis farms in the Bow Island area. He has served as a board member of the Alberta Soft Wheat Commission and of the Agriculture Financial Services Corporation (AFSC). Oosterhuis also serves as the chairman of the Palliser Triangle Marketing Club.

D'Arcy Hilgartner is a Camrose area grain farmer. Hilgartner has extensive experience in managing the finance and marketing aspects of the farm operation. He is also a member of the Battle River Research Group.

Lefsrud, Oosterhuis, and Hilgartner are welcome additions to the Alberta Grain Commission. Together they bring a wide array of industry knowledge and experience to the AGC table.

The mission of the AGC is to provide progressive farm-based advice to the Minister and appropriate groups to promote a prosperous, sustainable, and market-driven farm and agri-sector.

The other members of the AGC are:

- **Greg Porozni** - Vegreville- Farmer (Chairperson)
- **Henry Dechant** - Fairview- Farmer
- **Daniel Greene** - Carmangay- Farmer
- **Dennis Nanninga** - Barrhead- Farmer
- **Terry Young** - Lacombe- Farmer
- **Carol Bettac** - Department Member
- **John Brown** - Department Member

Extreme Canola Special

36 under NOVEMBER

Week of August 11 or Week of August 25

Price until October 31.

Can be rolled over, only spread between futures.

Fall Rye

$6.00 to $6.25/bu

At the bin.

Call for a price in your area.

August through October.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
barley, 48 lb	$4.74 FOB	Jul-Aug	Heisler
barley, 48 lb	$4.85 FOB	Jul-Aug	Olds
barley, 48 lb	$4.74 del Vegreville	Aug	Innisfree
barley, 48 lb	$4.70 FOB	Aug	Wetaskiwin
barley, 48 lb	$4.45 FOB	Aug	Mayerthorpe
barley, 48 lb	$4.52 FOB	Jul-Aug	Bawlf
barley, 48 lb	$4.75 del Vegreville	Aug	Mannville
barley, 48 lb	$4.17 FOB	Nov	High Prairie
barley, 50 lb	$4.74 del Calgary	Aug	St. Brides
barley, 52 lb	$4.74 del Calgary	Aug	Vimy
canola	$12.63 FOB	Aug	Ponoka
canola, htd	$11.06 FOB	Aug-Sep	Debolt
oats, feed	$2.50 FOB	Aug	Vermilion
oats, feed	$2.90 del Vermilion	Jul-Aug	Mannville
oats, feed	$2.76 FOB	Aug	Millett
oats, feed	$2.80 FOB	Aug	Clive
oats, feed	$2.85 FOB	Aug	Ponoka
oats, milling	$2.97 FOB	Jul-Aug	Vermilion
oats, milling	$3.75 del Edmonton	Jan 09	Barrhead
oats, milling	$3.65 del Edmonton	Jan 09	Newbrook
oats, milling	$3.65 del Edmonton	Jan 09	Spirit River
oats, milling	$3.40 FOB	Jan 09	Elk Point
oats, milling	$3.45 FOB	Jan 09	Athabasca
oats, milling	$3.51 FOB	Jan 09	Millet
oats, #2 CW	$3.45 FOB	Jan 09	Innisfree
oats, #2 CW	$3.45 FOB	Jan 09	Mayerthorpe
oats, #2 CW	$3.65 del Edmonton	Jan 09	St. Paul
oats, #2 CW	$3.40 FOB	Jan 09	Stettler
wheat, prt 12.5%	$7.08 FOB	Nov-Dec	Donalda
wheat, prt 12.5%	$6.62 FOB	Sep-Oct	Boyle
wheat, prt 12.5%	$6.75 FOB	Nov-Dec	Boyle
wheat, feed	$5.47 FOB	Aug	Irma
wheat, prt 13%	$7.38 FOB	Aug	Irma
wheat, prt 12.5%	$7.16 FOB	Aug	Lloydminster
wheat, feed	$6.50 FOB	Aug	Lloydminster
wheat, feed	$7.03 del Edmonton	Aug	Camrose
wheat, prt 15.5%	$7.50 FOB	Aug	Ryley
wheat, prt 13%	$7.40 FOB	Aug	Thorhild
wheat, feed	$7.03 del Edmonton	Aug	Thorhild
wheat, prt 12.5%	$7.35 FOB	Jan 09	Millet
peas, yellow	$8.92 del Innisfail	Sep	Stettler

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (OCT)	$107.80	$97.83	$9.97
CME Live Hogs (OCT)	$74.63	$78.60	($3.97)
CDN Dollar (SEP)	$0.97	$0.98	($0.01)
Minneapolis Wheat (SEP)	$7.94	$8.13	($0.19)
Kansas City Wheat (SEP)	$8.25	$8.32	($0.07)
Chicago Oats (SEP)	$3.68	$3.84	($0.16)
Diesel (spot, Edmonton)	$1.23	$1.28	($0.05)
Crude/Oil (SEP)	$125.00	$123.50	$1.50

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
barley	Aug	$4.96 del Calgary
barley	Aug	$4.74 del Czar
barley	Aug	$5.07 del Lethbridge
barley	Sep-Oct	$5.07 del Brooks
barley	Nov-Dec	$5.18 del Lethbridge
barley	Jan-Mar 09	$5.28 del Lethbridge
wheat, feed 13% prt	Aug	$7.98 del Red Deer
wheat, feed	Aug	$6.07 del Red Deer
wheat, feed 12.5% prt	Sep-Oct	$7.30 del Red Deer
wheat, feed	Sep-Dec	$6.75 del Red Deer
wheat, feed 12.5% prt	Nov-Dec	$7.43 del Red Deer
wheat, feed 12.5% prt	Jan-Mar 09	$7.71 del Red Deer
peas, yellow edible	Aug	$9.20 del Innisfail
peas, yellow edible	Sep-Oct	$9.25 del Innisfail
rye, milling	Aug-Oct	$6.25 FOB Central Alberta
rye/triticale, feed	Aug-Sep	$5.54 del Red Deer
canola	til Aug 8th	$12.87 del Lloydminster
canola	til Aug 31st	$12.53 del Lloydminster
canola	Aug	$12.73 del Ft. Sask
canola	Oct	$12.53 del Lloydminster
canola	Dec	$12.69 del Lloydminster
canola	Jan 09	$12.69 del Lloydminster
oats, feed	Aug	$3.19 del Fort Macleod
oats, feed	Aug-Sep	$3.11 del Lethbridge
oats, milling	Nov	$2.94 del Martensville
oats, milling	Dec	$2.96 del Martensville
oats, milling	Jan 09	$3.27 del Martensville
oats, #2 CW	Jan-Mar 09	$3.29 del Yorkton
oats, #2 CW	Jan 09	$3.65 del Edmonton
oats, milling	Feb 09	$3.29 del Martensville
oats, milling	Mar 09	$3.32 del Martensville

Declare Your Wheat!

Effective August 1, western Canadian wheat producers are required to sign a Declaration of Eligibility at every licensed facility they deliver wheat seed to, to confirm the wheat is eligible for a specific western Canadian wheat class.

Carefully store and track your harvest

This means good operating practices: ensure bins are empty and clean before storage, store only one class of wheat per bin, and maintain careful records to track of wheat in each bin. If producers require wheat graded as any class other than feed, a registered variety must be delivered.

Declare your wheat at delivery

Producers must sign a declaration annually for each company/delivery point they deliver to and verbally declare the class of wheat for each load. By declaring the wheat, producers are attesting it only contains varieties eligible for a specific class of western Canadian wheat.

If producers have someone hauling grain for them, the producer is required to sign the declaration form at the elevator before delivery and make sure their transporter knows the wheat's class.