

At Market Master

by Shelley Wetmore

September 26, 2008.....

Feed Wheat

I'm waiting for off-board feed wheat prices to drop after seeing this month's CWB PRO. Here are average Alberta prices (after deductions). Don't forget, this is your TOTAL price, delivered to your closest elevator. Compare these projections against off-board prices, still currently available:

- \$4.13 for CW feed
- \$6.50 for #1 CPSR
- \$6.55 for #3 CWRs
- \$6.36 for #1 CWRW

Canola 2009

If you're looking for a good canola program for next crop year, think about Nexera. How about a basis of \$38.00 over NOV 2009 plus a \$7.00 freight incentive? The seed is Clearfield 845, a favourite for many Nexera growers. Take the time to pencil out pricing, yield, and input costs. Here's a fall 2009 example:

- ◆ \$10.70/bu for conventional canola
- ◆ \$12.90/bu for Nexera canola

We've started to lock-in a few loads for fall 2009 of canola, in general. Review your crop records. How many years have you been able to lock-in fall canola OVER \$10.00/bu?

Good-luck with harvest!

Watching ICE

Your weekly closing ICE futures \$/MT.

Canola	This Week	Last Week	Diff +/-
Nov 08	\$474.10	\$476.60	↓ (\$2.50)
Jan 09	\$484.70	\$487.30	↓ (\$2.60)
Mar 09	\$494.90	\$497.80	↓ (\$2.90)
May 09	\$504.90	\$507.90	↓ (\$3.00)
Jul 09	\$513.70	\$517.20	↓ (\$3.50)
Nov 09	\$525.80	\$525.90	↓ (\$0.10)
Barley	This Week	Last Week	Diff +/-
Oct 08	\$189.50	\$192.70	↓ (\$3.20)
Dec 08	\$197.00	\$197.70	↓ (\$0.70)
Mar 09	\$203.00	\$206.70	↓ (\$3.70)
May 09	\$207.50	\$211.20	↓ (\$3.70)
Jul 09	\$207.50	\$211.20	↓ (\$3.70)
Oct 10	\$207.50	\$211.20	↓ (\$3.70)

Be Grainwise!

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

First of all, a great big thank you to Neil Blue who once again has kindly stepped-in during harvest, allowing me to focus on bringing in our own crop. It's much appreciated. This week's format is a little different than usual, however. I hope to be out of "harvest mode" by this time next week.

US Economy

It's clear normal fundamentals have taken a back seat to the concern over the potential meltdown in the US economy. If there's one thing markets hate, it's uncertainty—and uncertainty is front and centre south of the border with possible ramifications rippling throughout the world economy as investors await a rescue package from the US government.

At the time of writing, wrangling between the Democrats and Republicans over the much anticipated \$700 billion dollar rescue plan was still going on. Negotiations have become all the more difficult with the specter of a US election just 38 days away.

Amid dire warnings of economic Armageddon by both Federal Reserve Chairman Ben Bernanke and Treasury Secretary Hank Paulson, investors have taken to the sidelines and a flight from any perceived market risk. The demise or insolvency of several large financial institutions such as Lehman Brothers and the government rescue of AIG (a trillion dollar company) has investors and consumers understandably nervous. However, there's no guarantee a rescue plan will work and there's philosophical concerns by some Republicans in particular to any sort of government intervention in the market place.

There's also a rising tide of anger across America at the notion that taxpayers should be on the hook to rescue Wall Street firms from financial problems of their own making. Particularly galling was the idea that many of these high ranking Wall Street players were in line to walk away with severance packages worth, in some cases, in the hundreds of millions of dollars.

Proponents of the plan argue that as distasteful as a bailout of Wall Street firms might be, a lot more pain will be

inflicted on the taxpayers of the nation down the road if this measure is not undertaken. It's suggested credit will become much more difficult to get and what credit is available will come at a much higher cost. At the present time, the normal flow of funds between major investment firms has dried to a trickle as no one is sure just how much exposure to bad debt each firm has, making even short-term loans a risky venture. There's, of course, also the concern that even if a package is successful, it will be inflationary down the road.

With all this as a backdrop, it's little wonder the commodity and index funds have been systematically taking money off the table in grain and oilseed markets. At what point investors will look at grains as a buying opportunity again is anyone's guess. As one well placed analyst noted, "We're supposed to have a bailout package in place over the weekend. If that is the case, the market's reaction on Monday will be interesting indeed."

US Grain

The **corn harvest** is just beginning and early yield results are all over the map. Recent rains over portions of the Midwest have slowed harvest progress but may be beneficial to SRW wheat plantings later in the year.

The **soybean harvest** has not yet begun. There's concern that should the price of corn remain at these levels (or indeed slip lower) that Brazilian acres could be down, particularly in light of the high fertilizer input costs associated with growing that crop.

Exports for all major grains have been lacklustre of late but, in light of all the



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 on page 2)

(Continued from page 1)

outside financial woes, it has hardly been a market mover. The value of the US dollar will be an important factor in respect to export movement as we move forward.

On the week:

- ◆ DEC corn closed just $\frac{3}{4}$ of a cent higher at \$5.43/bu.
- ◆ NOV beans climbed $20\frac{1}{2}$ cents to \$11.64/bu
- ◆ OCT meal pushed \$2.50/t higher to \$315
- ◆ OCT oil closed at 47.40 cents, an increase of .48 cents/lb
- ◆ DEC CBOT wheat dipped 2 cents to \$7.16/bu
- ◆ KCBT wheat closed unchanged at \$7.45 $\frac{3}{4}$ /bu
- ◆ DEC MGE wheat closed $4\frac{3}{4}$ cents higher at \$7.89 $\frac{3}{4}$ /bu

Canadian Grain.

Oilseeds

NOV canola dipped \$2.50 to \$474.10/MT, amid speculation that this year's prairie canola crop may top 12 mmt. A firm Canadian dollar (weak US dollar) was a market negative. Routine pricing of former sales by Mexico and steady crusher buying lent underlying support.

Feedgrain

OCT barley dipped \$3.20 lower to \$189.50/MT although cash bids remain firm.

CWB PRO

The CWB PROs were announced with huge drops of \$27.00/MT to \$31.00 in wheat prices while durum values slid anywhere from \$5.00 to \$31.00. Feed barley skidded \$23.00 while malt barley fell \$13.00 since the mid-September PRO. Unfortunately, for holders of CWB Basis contracts who have the futures fixed and are awaiting better basis levels before locking that component of their contract, little improvement was noted despite this month's sharply lower PRO.

Fall Soil Sampling Can Save You Money!

From Alberta Agriculture

Fertilizer costs have increased from 35% to over 250% over the past year. Some producers have already purchased/stored fertilizer needed for next spring to get out ahead of these continually rising costs.

"With the high cost of fertilizers, it is even more important for producers to know exactly what nutrients are needed so they don't over or under fertilize," says Dr. Ross McKenzie, agronomy research scientist, Alberta Agriculture, Lethbridge. "Making informed fertilizer decisions starts with doing soil sampling and testing on fields. Assessing all fields to determine nutrient levels - which are deficient, which are marginal and which are adequate - is a critical step."

Soil testing and analysis can identify soil nutrient levels in fields, which helps producers make informed decisions about which fertilizer are required and which are not needed. Application rates can then be specifically determined for each nutrient for each field.

To obtain the most accurate analysis, three core depths are essential. The cores should include a 0-6" depth sample, a 6-12" depth sample and a 12-24" depth sample. A full 24" core can be separated so all three depth samples can be taken from each core sample.

"While soil sampling is important for all producers it is especially important for producers who are direct seeding. It is recommended to take between 15 and 20 core samples in each field being sampled. If only a few cores are taken in a field, the results may not truly be representative. And remember that each of these core samples should include soil taken from three core depths, 0 to 6", 6 to 12" and 12 to 24", says McKenzie.

Another tool producers can use is the online program called *Alberta Farm Fertilizer Information Recommendation Manager* (AFFIRM). This program allows producers to input soil test results, select the crop that will next be grown, input fertilizer prices and value/bu of the crop. When this information is considered, producers can develop good recommendations to provide a sound economic determination of fertilizer requirements. Call the Alberta Ag-Info Centre toll-free at 310-FARM (3276) to discuss fertilizer needs and recommendations.

Alberta Beef Producers—Fall Meetings and Elections

Zone 1 meetings 7:00 pm start

Oct 28 Milo, Community Hall
Oct 30 Medicine Hat, Ralph's Bar and Grill
Nov 4 Vauxhall, Legion

Zone 2 meetings 6:30 pm start, free supper 5:30 pm

Oct 30 Lethbridge, Perlich Brothers Auction Market
Nov 3 Fort MacLeod, Auction Market

Zone 3 meetings 7:00 pm start

Oct 27 Cochrane, Ranch House
Oct 28 Sundre, West Country Centre
Nov 3 Longview, Community Hall
Nov 4 Strathmore, Golf and Country Club

Zone 4 meetings 7:00 pm start

Oct 27 Metiskow Hall
Oct 29 Veteran, Community Hall
Nov 3 Bigstone, Community Hall
Nov 5 Killam, Legion Hall

Zone 5 meetings 7:00 pm start, free supper at 6:00 pm

Oct 27 Big Valley, Community Hall
Oct 29 Leslieville, Community Hall
Nov 4 Spruce View, Community Hall

Zone 6 meetings 7:00 pm start

Oct 28 Camrose, Regional Exhibition
Oct 30 Ponoka, Legion
Nov 3 Breton, Community Hall

Zone 7 meetings 7:00 pm start, free supper at 6:00 pm

Oct 27 Hattonford, Beaver Meadows Community Hall
Oct 30 Newbrook, Community Hall
Nov 3 Mayerthorpe, Legion Hall
Nov 5 Westlock, Memorial Hall, *supper at 5:30

Zone 8 meetings 7:00 pm start except *

Nov 12 Flat Lake Community Hall
Nov 13 Marwayne Community Hall
Nov 14 Hairy Hill Community Hall, * 6:00 pm free supper

Zone 9 meetings 6:30 pm start, free supper at 6:00 pm

Oct 27 Manning, Battle River Agricultural Hall
Oct 28 Fairview, Dunvegan Inn
Oct 30 Grande Prairie, Stonebridge Hotel
Nov 4 Valleyview, Memorial Hall

CWB September 2008-2009 Average PRO

	Sep PRO	Alberta		Sask		BC	
		Average Deduct	Average Return	Average Deduct	Average Return	Average Deduct	Average Return
Wheat							
1 CWRS 14.5	\$9.33	\$1.45	\$7.88	\$1.66	\$7.67	\$1.36	\$7.97
1 CWRS 13.5	\$9.01	\$1.45	\$7.56	\$1.66	\$7.35	\$1.36	\$7.65
1 CWRS 12.5	\$8.79	\$1.45	\$7.34	\$1.66	\$7.13	\$1.36	\$7.43
1 CWRS 11.5	\$8.60	\$1.45	\$7.15	\$1.66	\$6.94	\$1.36	\$7.24
2 CWRS 13.5	\$8.85	\$1.45	\$7.40	\$1.66	\$7.19	\$1.36	\$7.49
2 CWRS 11.5	\$8.44	\$1.45	\$6.99	\$1.66	\$6.78	\$1.36	\$7.08
3 CWRS 13.0	\$8.33	\$1.45	\$6.88	\$1.66	\$6.67	\$1.36	\$6.97
3 CWRS	\$8.00	\$1.45	\$6.55	\$1.66	\$6.34	\$1.36	\$6.64
4 CWRS	\$7.67	\$1.45	\$6.22	\$1.66	\$6.01	\$1.36	\$6.31
1 CWHW 13.5	\$9.01	\$1.45	\$7.56	\$1.66	\$7.35	\$1.36	\$7.65
1 CPSR	\$7.95	\$1.45	\$6.50	\$1.66	\$6.29	\$1.36	\$6.59
1 CPSW	\$7.95	\$1.45	\$6.50	\$1.66	\$6.29	\$1.36	\$6.59
1 CWRW Select 11.5	\$8.14	\$1.45	\$6.69	\$1.66	\$6.48	\$1.36	\$6.78
1 CWRW	\$7.81	\$1.45	\$6.36	\$1.66	\$6.15	\$1.36	\$6.45
1 CWES	\$8.11	\$1.41	\$6.70	\$1.65	\$6.46	\$1.36	\$6.75
1 CWSWS	\$7.76	\$1.45	\$6.31	\$1.66	\$6.10	\$1.36	\$6.40
CW Feed	\$5.58	\$1.45	\$4.13	\$1.66	\$3.92	\$1.36	\$4.22
Durum							
1 CWAD 14.5	\$10.80	\$1.47	\$9.33	\$1.57	\$9.23	\$1.35	\$9.45
1 CWAD 13.0	\$10.53	\$1.47	\$9.06	\$1.57	\$8.96	\$1.35	\$9.18
1 CWAD 12.5	\$10.48	\$1.47	\$9.01	\$1.57	\$8.91	\$1.35	\$9.13
1 CWAD 11.5	\$10.40	\$1.47	\$8.93	\$1.57	\$8.83	\$1.35	\$9.05
2 CWAD 13.0	\$10.18	\$1.47	\$8.71	\$1.57	\$8.61	\$1.35	\$8.83
2 CWAD 11.5	\$10.04	\$1.47	\$8.57	\$1.57	\$8.47	\$1.35	\$8.69
3 CWAD 13.0	\$9.80	\$1.47	\$8.33	\$1.57	\$8.23	\$1.35	\$8.45
3 CWAD	\$9.61	\$1.47	\$8.14	\$1.57	\$8.04	\$1.35	\$8.26
4 CWAD	\$8.95	\$1.47	\$7.48	\$1.57	\$7.38	\$1.35	\$7.60
5 CWAD	\$5.58	\$1.47	\$4.11	\$1.57	\$4.01	\$1.35	\$4.23
Feed Barley							
1 CW Pool A	\$4.79	\$1.24	\$3.55	\$1.49	\$3.30	\$1.17	\$3.62
Designated Barley							
SS CW 2-row	\$7.29	\$1.27	\$6.02	\$1.47	\$5.82	\$1.23	\$6.06
SS CW 6-row	\$6.86	\$1.27	\$5.59	\$1.47	\$5.39	\$1.23	\$5.63

Alberta Agriculture
presents

FutureSim

December 8 through 11, 2008, Leduc
\$200 per person, limited to 20 people

You've all had the privilege of reading Neil Blue's marketing comments in Grainwise. Now, you can attend FutureSim this December, taught by Neil. I attended FutureSim myself about 10 years ago and found it an invaluable marketing course. FutureSim is an interactive marketing course to instruct you in the basics of futures, options, basis, and cash grain marketing. To register:

Neil Blue (780) 853-8239, neil.blue@gov.ab.ca

PRO Commentary 2008-09 Crop Year

Wheat

The crisis in world financial markets has spilled over into commodities which has pressured prices. US wheat futures have fallen by more than 10%. In addition to external market factors, record world wheat production continues to push international prices lower. Exports from Europe and the Black Sea region have accelerated as harvest is essentially complete. The US wheat export program has slipped behind last year's pace due to strong competition from Europe and the Black Sea region. Although the world supply of higher-quality wheat is lower than last year, prices for that market segment have followed the general wheat market. Spring wheat values have also been pressured by the harvest activity in Canada and the US. Crop concerns in Argentina and Australia are still supportive but the impact of the loss of production in the Southern Hemisphere has been overwhelmed by production gains elsewhere.

Durum

International durum prices continued to move lower. Demand remains relatively weak as harvest continues in North America. The large European crop and slow export demand have pressured prices in the Mediterranean region. North American production is still expected to be larger than last year, despite production difficulties in the western Dakotas, eastern Montana, and parts of southern Saskatchewan. The decline in wheat values has also pushed the durum market lower as customers continue to substitute lower-cost wheat for durum in many of their products.

Feed barley

Feed barley prices in North America dropped due to ongoing barley harvest, with good yields in Canada and the US. Corn futures values have dropped by almost 5%. Export competition from Europe and the Black Sea region, each with larger crops than 2007, has pressured international prices against limited buying interest in the Mediterranean and Middle Eastern markets. Dryness in Australia is still providing limited support for international values.

Designated barley

International malting barley prices have weakened significantly. The harvest in North America is winding down, pressuring markets. European malting barley values have dropped and Australian prospects have deteriorated over the past two weeks, but larger supplies than last year are still expected.

Classifieds

Equipment for sale: 1995 CASE IH 2188 combine for \$69,000. 22 1/2' flex header for sale as well. Call Ray Hittinger, St. Albert, (780) 939-3601.

Equipment for sale: MF 9020 straight cut header with auto height control and pick-up reel with transport, good condition, asking \$6,900. Call (780) 785-2214 or (780) 785-2588, Sangudo.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	\$3.90 FOB	Nov	Olds
Barley, 50 lb	\$3.95 FOB	Nov	Hanna
Barley, 52 lb	\$3.75 FOB	Nov-Dec	Lavoy
Canola	\$9.94 del Fort Sask	Oct 09	Athabasca
Wheat, feed	\$6.63 del Lloyd	Feb-Mar	Bonnyville
Wheat, feed	\$5.41 FOB	Sep-Oct	Cereal
Wheat, feed	\$6.50 del Lloyd	Mar 09	Innisfail
Wheat, feed	\$5.60 FOB	Dec-Jan	High River
Wheat, feed	\$5.75 FOB	Dec-Jan	Wetaskiwin
Wheat, 12.5% prt	\$6.47 FOB	Oct	Torrington
Wheat, 12.5% prt	\$6.44 FOB	Oct-Nov	Crossfield
Wheat, 12.5% prt	\$6.34 FOB	Oct-Nov	Kathryn
Wheat, 12.5% prt	\$6.36 FOB	Oct-Nov	Balzac
Wheat, 12.5% prt	\$6.47 FOB	Oct-Nov	Olds
Wheat, 12.5% prt	\$6.20 FOB	Dec	Blackie
Wheat, 12.5% prt	\$6.40 FOB	Dec-Jan	New Norway
Wheat, 13% prt	\$6.40 FOB	Dec	Wetaskiwin
Wheat, 14% prt	\$6.53 FOB	Oct-Nov	Lacombe
Wheat, 15% prt	\$6.55 FOB	Oct-Nov	Big Valley
Peas, yellow	\$6.44 FOB	Oct	Strathmore
Peas, yellow	\$6.84 del Innisfail	Oct-Nov	Innisfail
Peas, yellow	\$6.25 FOB	Oct	Vermilion

Bid Board

Buyers looking for grain (net prices).

Grain	When	Location
Barley	October	\$4.03 del Lethbridge
Barley	Nov-Dec	\$4.36 del Lethbridge
Barley	December	\$4.14 del Brooks
Barley	Jan-Mar	\$4.40 del Lethbridge
Wheat, 12.5% prt	Dec-Jan	\$6.74 del Red Deer
Wheat, feed	Dec-Jan	\$6.06 del Red Deer
Wheat, feed	March	\$6.17 del Lloydminster
Triticale, feed	Sep-Oct	\$5.70 del Lethbridge
Peas, feed	Sep-Oct	\$6.74 del Blackfalds
Peas, feed	Sep-Oct	\$6.42 del Paradise Valley
Peas, green	October	\$9.30 del Innisfail
Peas, yellow	October	\$6.63 del Three Hills
Peas, green	October	\$9.00 del Three Hills
Peas, green	October	\$9.00 del Wembley
Peas, yellow	Oct-Nov	\$6.93 del Innisfail
Peas, yellow	Oct-Nov	\$6.63 del Wembley
Rye, feed	October	\$5.83 del Calgary
Rye, feed	Nov-Dec	\$4.51 del Red Deer
Canola	October	\$9.79 del Lloydminster
Canola	December	\$10.14 del Lloydminster
Canola	January	\$10.10 del Fort Sask
Canola	January	\$10.25 del Lloydminster
Canola	March	\$10.55 del Fort Sask
Canola	March	\$10.48 del Lloydminster
Canola	Nov 09	\$10.69 del Fort Sask
Oats, feed	Sep-Oct	\$2.95 del Fort Macleod
Oats, #2 CW	Oct-Nov	\$2.79 del Lethbridge
Oats, organic	Oct-Dec	\$6.69 del Barrhead
Oats, milling	November	\$2.52 del Martensville
Oats, milling	January	\$2.86 del Martensville
Oats, #2CW	Jan-Mar	\$2.99 del Lethbridge
Oats, organic	Jan-Mar	\$6.94 del Barrhead
Oats, milling	March	\$2.91 del Martensville
Oats, milling	April	\$2.83 del Barrhead
Oats, milling	July	\$3.05 del Martensville
Oats, milling	July	\$2.89 del Barrhead

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (OCT)	\$100.90	\$101.55	↓ (\$0.65)
CME Live Hogs (OCT)	\$69.60	\$68.20	↑ \$1.40
CDN Dollar (DEC)	\$0.97	\$0.95	↑ \$0.02
Minneapolis Wheat (DEC)	\$7.16	\$7.17	↓ (\$0.01)
Kansas City Wheat (DEC)	\$7.45	\$7.56	↓ (\$0.11)
Chicago Oats (DEC)	\$3.31	\$3.31	→ \$0.00
Diesel (spot, Edmonton)	\$1.13	\$1.13	→ \$0.00
Crude/Oil (NOV)	\$106.10	\$100.51	↑ \$5.59

Phosphate

Prices below are in Canadian funds and available for pick-up in the Lethbridge area. Terms are 15 days, upon approval. Must be picked up by October 15th. Pricing available until September 29.

11-52-0 \$1,320/MT
 11-52-0 with Avail \$1,405/MT

Crop Condition Report—Quick Summary

From Alberta Agriculture

In the last two weeks, the weather has been mainly cool and damp, with rain showers and heavy morning dew. These conditions, coupled with late crop maturity have caused major delays in harvest progress. Provincially, 21% of the 2008 crop is in the bin, compared to 8% two weeks ago, and 35%-40% at this time, in most years. Some crops are being taken off damp and tough, and need to be dried.