At Market Master

by Shelley Wetmore

October 31, 2008……………………

If you've seeded rye already and will be ready for harvest next September, take note of the Bid Board. There are a few hundred tonnes yet available. If you live in Castor, for example, that bid translates to $6.00/bu for a #2 rye.

We have a number of buyers looking for feed wheat. Lethbridge, the price is $5.10/bu delivered and into central Alberta, $4.85/bu. High protein wheat brings a premium Jan through Mar, central Alberta, at $5.65/bu delivered. If you happen to possess extremely high protein, you could realize an additional 15 cent premium. Call for details.

There are good feed barley prices. The Lethbridge price is almost at $4.00/bu. If you have malt samples waiting for testing—don't hold your breath. Many results are coming back with high protein levels so the feed market may be your only option. Also, some malt buyers are done buying for the year. If you don't already have a contract, you may be out of luck.

Oat prices? Dismal. Nothing above $2.50/bu at the bin and $2.00/bu or less is the common number right now.

Peas in general remain a good price. Yellows and feed should bring around $6.00/bu. Green edibles are close to $9.00/bu—not very many greens out there to speak of!

Watching ICE

Your weekly closing ICE futures $/MT.

Canola	This Week	Last Week	Diff +/-
Nov 08	$413.30	$422.60	($9.30)
Jan 09	$420.70	$432.10	($11.40)
Mar 09	$429.60	$441.20	($11.60)
May 09	$438.60	$450.40	($11.80)
Jul 09	$445.20	$458.20	($13.00)
Nov 09	$455.30	$471.10	($15.80)
Barley	**This Week**	**Last Week**	**Diff +/-**
Dec 08	$171.00	$166.10	$4.90
Mar 09	$181.00	$176.00	$5.00
May 09	$186.50	$181.50	$5.00
Jul 09	$187.50	$182.50	$5.00
Oct 10	$187.50	$182.50	$5.00

Be Grainwise!

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

US Grain

Soy Complex

Last week, I outlined some of the reasons for the rapid rise in the US dollar and the impact on commodities … grains and oilseeds, in particular. This week, however, the dollar took a breather and slipped lower. The impact on grains and oilseeds was immediate.

The weaker dollar, in conjunction with outstanding weekly soybean sales of 1.457 mmt, sent NOV beans 61½ cents higher to $9.25¼/bu. DEC oil was also firm, climbing 2.13 cents to 33.60 cents/lb but meal gave up $10.30 to close at $273/t, giving back some of last week's strong gains.

In an unusual move, the USDA updated its October 10th Crop Production Report on Monday. The revised figures lowered soybean acreage by 1.1 mln acres and trimmed production by 45 mln bu to 2.94 bln bu. Ending stocks are projected at 205 mln bu, 15 mln bu lower than the Oct 10th report. At this point, it's difficult to say how much these new figures influenced the market as most traders felt that the earlier report WOULD have to be revised. In fact, many expected even greater production cuts so it could be argued the revision was actually bearish to prices.

Corn

In contrast to beans, corn exports were disappointing at 413,000mt. However, in Monday's revised USDA report seeded acreage was cut by 1 mln acres and production lowered from 12.2 bln bu to 12.033 bln bu. Ending stocks were trimmed from 1.154 bln bu to 1.088 bln bu. Warmer weather in the Midwest is allowing harvest to pick up steam and pressured the market. DEC corn closed 28¾ cents higher at $4.01½/bu.

Wheat

Demand for SRW wheat has been particularly strong so far this marketing year but this week's export figure was just average at 460,400 mt. Also pressuring the market was this week's IGC update which increased global wheat production 7 mmt to 683 mmt. However, there's growing concern that dramatic drops in wheat prices may be discouraging acres for next year's crop.

DEC CBOT rose 20 cents to $5.36¼/bu, KCBT wheat settled up 31¾ cents at $5.78¾/bu, and MGE futures scampered 47¾ cents higher to $6.49½/bu.

Canadian Grain

Oilseeds

As the US dollar fell this week, the Canadian dollar rose. At one point, there was a 4 cent gain in a single trading session. But, one of the reason's canola has been able to hold up as well as it has lately is due to our *falling* dollar.

Not surprisingly, this week's action put canola futures on the defensive with the NOV slipping $9.30 lower to $413.30/MT. On the positive side of things, deferred basis levels have tightened noticeably, indicative of demand further down the road.

Much of this week's buying was domestic in nature. A slowdown in farmer selling prevented further losses. Now, the spectre of a huge canola crop overhangs the market.

Feedgrain

Barley sales off the combine pressured early cash bids but that type of selling is drying up and producers are becoming more reluctant to push product out the door. Cash bids have firmed as a result. DEC futures climbed $4.90 to $171.00/MT.

It's expected that edible pea bids could rise into the new year. A combination of starkly lower ocean freight rates and improving lines of credit should make for livelier import programs from Asian buyers.

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Strategies

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

US Economy

Once again, commodity traders kept one eye firmly fixed on the equity markets for direction. I know it sounds like a broken record but, until some confidence comes back into major stock markets, investors are reluctant to place money in any investment vehicle that carries undue risk—that includes grains and oilseeds.

On the positive side, many traders are cautiously optimistic that we're either at the bottom or very near to it in the stock market. In many ways, stock market activity is simply a symptom of the credit crisis and the lack of confidence that crisis has instilled in the minds of investors, of all stripes. It's hoped the election of a new US president Tuesday will usher in a new sense of stability to the markets.

Corn Market

However this week's action was constructive from a technical point of view for most of the grains and oilseeds.

Despite a late week sell that most analysts chalked up to end-of-the-month position squaring, the technical picture for most commodities improved dramatically. Let's have a look at the Dec corn chart ...

Note how support finally held near the previous contract lows "A" and quickly formed short uptrend line at "B". While this action is encouraging, it doesn't guarantee it won't turn lower again. We have yet to penetrate even the first line of support at "D". However, market bulls will point to the upturn in the MACD "C" as an early indicator that the market trend may be changing.

While no technical indicator is foolproof, I like the MACD. I've found it especially helpful in timing sales in the past. Just look at previous crossovers of the MACD and check the corresponding futures action at that point in time. I've drawn vertical lines on the chart to make that comparison easier. As I said before, not perfect, but not bad either.

There's one important caveat to all of this. Should the stock market suddenly dive again next week, in all likelihood, commodity markets will follow—regardless of the improving technical outlook!

Charts provided courtesy of TradingCharts.com www.futures.tradingcharts.com

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	$3.60 del Ferintosh	November	Millet
Barley, 50 lb	$3.51 FOB	Oct-Nov	Galahad
Barley, 50 lb	$3.30 FOB	November	Thorsby
Barley, 52 lb	$3.50 FOB	November	Stettler
Peas, yellow	$6.74 del Taber	November	Mossleigh
Wheat, feed	$4.57 FOB	Oct-Nov	Ponoka
Wheat, feed	$4.32 FOB	November	Castor
Wheat, feed	$4.57 FOB	November	Clive
Wheat, 12% prt	$4.70 FOB	Nov	Innisfree
Wheat, 13% prt	$5.06 FOB	Jan-Feb	Mannville
Wheat, 13% prt	$5.33 FOB	Jan-Feb	Innisfail
Wheat, 13% prt	$5.25 FOB	Jan-Mar	Heisler
Wheat, 13% prt	$5.03 FOB	November	Ferintosh
Wheat, 12% prt	$5.25 FOB	Jan-Feb	Castor

By The Number

	This Week	Last Week		Diff +/-
CME Live Cattle (DEC)	$92.70	$87.55	↑	$5.15
CME Live Hogs (DEC)	$54.80	$58.50	↓	($3.70)
CDN Dollar (DEC)	$0.83	$0.79	↑	$0.04
Minneapolis Wheat (DEC)	$5.36	$5.16	↑	$0.20
Kansas City Wheat (DEC)	$5.73	$5.47	↑	$0.26
Chicago Oats (DEC)	$2.31	$2.50	↓	($0.19)
Diesel (spot, Edmonton)	$0.96	$1.14	↓	($0.18)
Crude/Oil (NOV)	$67.81	$64.15	↑	$3.66

Employment Opportunity

Maintenance Worker! **University of Alberta**, Cooling Plant (Utilities). Full-time, temporary position, 3 to 6 months. Duties include: clean heat exchangers (brushing tubes); clean, wash, and paint plant equipment; and assist tradesmen. Qualifications include: high school education, attention to detail, organizational and time management skills, mechanical aptitude an asset. Salary range is $19.35/hour. Send applications to:

Les Regula
University of Alberta
Room B05 Heating Plant
Edmonton, Alberta T6H 2N7
(780) 492-6911
les.regula@ualberta.ca

Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	November	$3.97 del Picture Butte
Barley	Nov-Dec	$3.97 del Lethbridge
Barley	Nov-Dec	$3.53 del Coronation
Barley	Nov-Dec	$3.97 del Taber
Wheat, 12.5% prt	November	$5.11 del Taber
Wheat, 12.5% prt	Nov-Dec	$5.38 del Red Deer
Wheat, feed	Nov-Dec	$4.89 del Lethbridge
Wheat, feed	Nov-Dec	$4.57 FOB Edmonton
Wheat, feed	December	$4.02 del Red Deer
Wheat, 12.5% prt	Jan-Mar	$5.66 del Red Deer
Wheat, feed	Jan-Mar	$4.29 del Red Deer
Peas, yellow	Nov-Dec	$6.15 del Three Hills
Peas, yellow	Nov-Dec	$6.50 del Innisfail
Peas, yellow	Nov-Dec	$6.15 del Wembley
Peas, green	Nov-Dec	$9.10 del Innisfail
Peas, green	Nov-Dec	$8.73 del Three Hills
Peas, green	Nov-Dec	$8.73 del Wembley
Rye, feed	Nov-Dec	$5.40 del Lehtbridge
Rye, milling	September 2009	$6.52 del Lethbridge
Flax, milling	Nov-Dec	$10.94 del Lethbridge
Triticale	Dec-Jan	$4.89 del Lethbridge
Canola	December	$8.98 del Lloydminster
Canola	January	$8.98 del Lloydminster
Canola	March	$9.16 del Fort Sask
Canola	March	$9.23 del Lloydminster
Canola	November 2009	$9.34 del Fort Sask
Oats, #2 CW	Nov-Dec	$2.53 del Lethbridge
Oats, milling	January	$2.21 del Martensville
Oats, milling	March	$2.30 del Martensville
Oats, milling	April	$2.19 del Barrhead
Oats, #2 CW	April	$2.54 del Edmonton
Oats, #2 CW	May-Jun	$2.74 del Edmonton
Oats, milling	July	$2.51 del Martensville
Oats, milling	July	$2.32 del Barrhead
Oats, milling	November	$2.59 del Martensville
Oats, milling	November	$2.39 del Barrhead

For Sale!

Round, wheat and barley straw bales, net wrapped, delivery available. Call Larry @ (780) 878-1562 or Ross @ (780) 878-1885, Edberg/ Meeting Creek area.