At Market Master

By Shelley Wetmore

January 16, 2009……………………..……

While canola rallies, I'll just put my two cents in … there's news on BOTH sides of the market as to whether we can expect the rally to continue OR head south again. So, prices for canola, either spot or fall time, are certainly worth considering. Would you rather entertain a small amount of pricing in the high $9 range (even $10) or do nothing and the prices plummet again? If canola DOES continue to rally, there's absolutely nothing wrong with getting higher prices on the remainder of your canola. Try to average your prices up.

Check your bins! I've had two different producers call this week, each with over 25,000 bushels of 75% heated canola. Plus, reports of bugs are coming out as well.

Oat markets are finally seeing a bit of life. We've actually gone back to the $2.00/bu range at the bin for next fall (no, not $4.00) but that's nothing compared to seeding $10.00 canola. Forward prices for oats need a substantial boost if producers want to consider keeping acres there. Apparently, oat growers in the Red River area (Manitoba) are looking harder and harder at soybeans instead.

The flax price gained a bit, increasing 50 cents. We're now at $11.50, delivered Edmonton for Feb-March.

Watching ICE

Your weekly closing ICE futures $/MT

Canola	This Week	Last Week	Diff +/-
Mar 09	$443.10	$437.90	↑ $5.20
May 09	$450.90	$446.00	↑ $4.90
Jul 09	$458.40	$454.10	↑ $4.30
Nov 09	$465.80	$460.30	↑ $5.50
Jan 10	$470.90	$466.40	↑ $4.50
Mar 10	$474.90	$470.40	↑ $4.50
Barley	**This Week**	**Last Week**	**Diff +/-**
Mar 09	$149.80	$151.10	↓ ($1.30)
May 09	$157.40	$156.70	↑ $0.70
Jul 09	$161.90	$161.20	↑ $0.70
Oct 09	$161.90	$161.20	↑ $0.70
Oct 10	$161.90	$161.20	↑ $0.70

Be Grainwise!

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

US Grain

Grains and oilseeds began the week with heavy losses following very bearish USDA reports released Monday. I've delved more into these reports in Strategies—it's not good.

Soy Complex

Hot, dry weather in Southern Brazil and Argentina DID put some life back into beans. Officials cut Brazilian bean production by 3 mmt with potential for further losses should the drought continue. I've yet to hear any credible numbers outlining Argentinean losses but the drought appears to be even more severe there. While the South American drought IS giving the bean market some punch, remember one good rain could send futures plummeting again.

Aiding soybeans comeback was an exceptional export figure of 1.361 mmt, over double the most optimistic pre-report estimate. Further sales were announced on Friday. China has been aggressively buying US beans.

MAR beans dipped 16 cents to $10.20/bu while meal edged $1.50 higher to $316/t. Oil slipped 2.13 cents to 34.59 cents/lb. While this doesn't look like a great week in beans, remember Monday's loss was 70 cents/bu.

Corn

Corn futures took a hit early as well but the road back was more difficult. There was some support from the drought in SA but it's not having the same impact as on beans. Unlike beans, the export picture for corn is bleak. This week's 216,100 mt was half of what was expected. MAR closed out the week 19¾ cents lower at $3.91/bu.

Wheat

Wheat received the best news from Monday's report—sharply lower winter wheat plantings, however, large global supplies have put wheat in a follower's role. Adding to the malaise was another dismal weekly export figure of 87,900 mt which hit the market hard. Even the prospect of extremely cold temperatures in the heart of HRW wheat country couldn't ignite much interest. From a fundamental view, wheat doesn't have a lot going for it so it wasn't surprising it fared the worst of all grains.

MAR CBOT wheat slipped 51¼ cents lower to $5.78¼/bu while KCBT wheat dropped 41¾ cents to $6.09¼/bu. MGE wheat fared best losing "just" 27½ cents, settling at $6.52¾/bu.

Canadian Grain

Oilseeds

Canola had the distinction of being one of the few commodities on either side of the border to end up in the black. MAR rose $5.20 to $443.10/MT.

Interest from Pakistan/China provided support with rumours of further interest from China. At the Canola Grower's convention in Saskatoon, executive director of the prestigious Oil World newsletter, Thomas Mielke, projected Chinese imports of Canadian canola to top 1.7 mmt, more than doubling last year's purchases. Additional support came from strong crush margins (which prompted steady commercial buying) and a lower CDN dollar.

Feedgrain

MAR barley futures slipped $1.20 to $149.80/MT. Cash bids were also under pressure due to lack of demand as temperatures begin to moderate.

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Strategies

A Farmer's Perspective … by John Stewart, Galahad, Alberta,

On Monday, the USDA released its annual production summary along with its monthly Supply/Demand reports. The news was particularly bearish for beans and corn.

Corn

Larger than expected corn production figures (12.010 bln bu, average yield of 153.9 bu/ac) combined with weak demand projections left a bearish carryout figure of 1.79 bln bu. A slowdown in the global economy combined with credit problems for potential buyers have left corn exports at just slightly over half of last year's total at this point in the year. Global carryout projections were equally bleak rising from 123.8 mmt to 136 mmt in just one month. Most traders were expecting an increase carryout stocks but the size of the increase caught most off guard.

Soy Complex

Soybean traders were expecting a downward revision in both production and carryout stocks. They came away disappointed on both fronts. Production was boosted from 2.921 bln bu to 2.959 bln bu which translates into an average yield of 39.6 bu/ac. Ending stocks were also raised from .205 bln bu to .225 bln bu. The only positive was global ending stocks were trimmed from 54.19 mmt to 53.94 mmt, due to expected production shortfalls in Argentina and Brazil.

Wheat

Positive news—total winter wheat acreage came in at 42.1 mln acres, a drop of 4.1 mln acres from last month and over 2 mln acres less than most analysts were expecting. However, carryout figures actually increased from 623 mln bu to 655 mln bu which took some of the bullish edge off the news. After a quick start to the marketing season, exports have dropped off dramatically. Making matters worse, the global carryout figure edged 1 mmt higher to 148.4 mmt.

At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	$3.01 FOB	Jan	Heisler
Barley, 48 lb	$3.14 FOB	Jan	Castor
Barley, 50 lb	$3.01 FOB	Jan-Feb	Sedgewick
Barley, 52 lb	$3.01 FOB	Jan	Meeting Creek
Canola	$9.92 del Lacombe	Nov	Millet
Canola	$9.74 FOB	Nov	Camrose
Canola	$10.01 del Joffre	Jul	Clive
Canola	$9.76 FOB	Nov	Warburg
Canola	$9.80 FOB	Nov	Camrose
Oats, milling	$2.02 FOB	Feb-Mar	Evansburg
Oats, milling	$2.01 FOB	Feb	Athabasca
Oats, feed	$2.02 FOB	Jan-Feb	Castor
Peas, feed	$6.04 FOB	Jan	Mossleigh

Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	Jan	$3.01 FOB Edmonton
Barley	Feb	$3.49 del Lethbridge
Barley	Mar	$3.01 FOB Edmonton
Wheat 12.5% prt	Jan	$4.57 FOB Edmonton
Wheat, feed	Feb-Mar	$4.29 del Red Deer
Wheat, 12.5% prt	Feb Mar	$4.84 del Lacombe
Wheat, feed	Feb-Mar	$4.70 del Lacombe
Wheat, 12.5% prt	Feb-Mar	$4.43 FOB Edmonton
Wheat, feed	Feb-Mar	$4.43 FOB Edmonton
Wheat, 12.5% prt	Mar-Apr	$4.84 del Red Deer
Peas, yellow	Feb	$6.01 del Innisfail
Peas, yellow	Feb	$5.66 del Three Hills
Peas, yellow	Feb	$5.66 del Wembley
Peas, green	Feb	$7.70 del Innisfail
Peas, green 10% bleach	Feb	$7.45 del Innisfail
Peas, green	Feb	$7.34 del Wembley
Flax, milling	Feb-Mar	$11.50 del Edmonton
Canola	January	$9.72 del Lloydminster
Canola, heated 25%	Feb-Mar	$6.93 del Edmonton
Canola, heated 40%	Feb-Mar	$6.36 del Edmonton
Canola	March	$9.74 del Fort Sask
Canola	March	$9.54 del Lloydminster
Canola	March	$9.58 del Joffre
Canola	July	$9.85 del Fort Sask
Canola	July	$9.76 del Joffre
Canola	Nov	$9.99 del Joffre
Canola	Dec	$9.98 del Fort Sask
Oats, feed	Jan-May	$2.04 FOB Wetaskiwin
Oats, feed	Feb	$2.28 del Lethbridge
Oats, milling	March	$2.14 del Martensville
Oats, milling	April	$2.04 del Barrhead
Oats, #2 CW	Jun-Jul	$2.19 del Edmonton
Oats, milling	July	$2.31 del Martensville
Oats, milling	July	$2.16 del Barrhead
Oats, milling	Nov	$2.47 del Martensville
Oats, milling	Nov	$2.31 del Barrhead

Visit Market Master at Booth # 72

The Galahad Agricultural Society
presents

Agricultural Production Day

Monday, January 26, 2009
Galahad Agriplex

Eero Kovero, Producer from Finland

- precision seeding of spring crops using no-till machines
- view into European farm management and challenges of grain production in northern Europe

Alvin Eyolfson, Manager, Battle River Research Group

- Review of research group activities
- results of various field plots and trials

Daren Carlson, Area Representative, Monsanto/DEKALB

- seed genetics and biotechnology

Trent Christensen, Vice President, Providence Grain

- future goals of Providence grain
- alliance with the Andrukow Group
- investment opportunities with PGG Bioenergy

Ben Shank, AMS Specialist, Battle River Implements

- GPS and today's precision farming opportunities

Lunch at noon with speakers to begin at 12:45 pm, afternoon coffee.
Admission is $15 for lunch and speakers or $10 for speakers only.
Contact Ross Vincettt at (780) 583-3901.

Alberta Drought Report (Summary)

From AAFRD

Since November 30, 20 to 40 mm has fallen over much of the Peace Region, the northern and central parts of the Northern Region, the western parts of the Central Region, and over most of the Southern Region. Precipitation was general below 20 mm across the eastern-half of the central region, as well as in much of the southern parts of the Northern Region. The greatest amounts were received across the southern foothills, where precipitation ranged from 40 to 120 mm.

Average daily mean temperatures during the past 15 days, relative to the long-term-normal, across the Peace Region, most of the eastern halves of the Northern and Central Regions, as well as the north central and south-eastern corner of the Southern Region were low. The rest of the reporting area recorded at least near normal average daily temperature regimes.

Cold Season precipitation accumulations relative to long-term normal, to date, are extremely low to low across the south-eastern parts of the northern region and the northern parts of the Central region. Much of the Northern and Central region have received at least moderately low cold season accumulations, with many areas grading to low or worse. Modeled snow pack accumulations relative to long term normal for this time of year across are at least near normal across the Peace Region, the northern parts of the Northern Region, the southwestern and eastern corner of the Central Region, and over much of the Southern Region. Elsewhere, accumulations are moderately low with few pockets of low.

A large selection of related maps can be found at http://www.agric.gov.ab.ca/acis, under the Quick Viewer tab. Note these maps are updated once a week (usually by Wednesday) providing updates between drought reports.

By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (FEB)	$84.45	$83.10	↑ $1.35
CME Live Hogs (FEB)	$59.90	$62.45	↓ ($2.55)
CDN Dollar (MAR)	$0.80	$0.85	↓ ($0.05)
Minneapolis Wheat (MAR)	$5.80	$6.29	↓ ($0.49)
Kansas City Wheat (MAR)	$6.09	$6.51	↓ ($0.42)
Chicago Oats (MAR)	$2.22	$2.30	↓ ($0.08)
Diesel (spot, Edmonton)	$0.74	$0.76	↓ ($0.02)
Crude/Oil (FEB)	$36.40	$40.80	↓ ($4.40)

Treating Winter Feed like Fertilizer

From AAFRD

Nutrients in stored feeds can serve not only as a source of nutrition for cattle, but also as source of fertility for crops. Cattle retain only a small portion of the nutrients found in stored feeds, while the vast majority of the feed nutrients are excreted in the urine or dung.

Stored feeds such as alfalfa hay, grass hay or cereal silage contain significant concentrations of nutrients such as nitrogen, phosphorus and potassium.

Feed Type	Nitrogen	Phosphorus	Potassium
Alfalfa Hay 20% C.P.	70.0	5.0	38.0
Grass Hay 10% C.P.	35.0	4.0	29.0
Cereal Silage 12% C.P.	42.0	6.0	35.0

"In more traditional corral feeding systems, nutrients accumulate in the bedding pack," says Gordon Hutton, provincial forage industry specialist, AAFRD, Airdrie. "With in-field feeding, excreted nutrients and feed waste accumulate in the field. Research by the University of Saskatchewan has shown that in-field feeding promotes better recycling of feed nutrients than spreading manure collected from corral feeding system.

"This is especially true for nitrogen. A winter feeding project resulted in 30% to 40% of the feed nitrogen being recovered after in-field feeding on a grass pasture versus only one per cent after corral manure was applied to the pasture. The higher nitrogen capture with in-field feeding is due in part to the reduction in nitrogen losses from gassing-off that occurs within corral feeding systems."

Bale grazing, bale processing or portable bunk feeders are examples of commonly use in-field feeding systems. The distribution of nutrients from urine, dung or feed waste in the field will vary with the size of the feeding area, quantity of feed delivered, length of feeding period and feed type. Legume based feeds generally provide the highest nutrient concentrations.

"Winter feeding on old grass pastures may be one of the most promising options," says Hutton. "Most older pastures are low in soil fertility and as result, low in forage productivity. With winter in-field feeding, high amounts of plant available nutrients can be introduced to the pasture and recycled through new forage growth over the next few growing seasons. However, there are limitations to in-field feeding. One of the challenges is managing nutrient placement. Regular rotation of feeding sites, bedding areas and water sources will improve nutrient distribution."

During this year's winter feeding period, it may be worthwhile to reassess how nutrients in stored feed supplies are handled. With the rising costs of commercial fertilizers, stored feed nutrients may have increasing value for use as not only a livestock nutrient but also as source of crop fertility.