

## At Market Master

By Shelley Wetmore

February 13, 2009.....

I'm still looking for producers who'll be combining rye or triticale this fall. We have a buyer interested in booking a certain number of tonnage for a #2 CW specification. Price would be in the \$5.25/bu mark, at the bin, in most areas. Please call me this upcoming week if this works into your marketing plan.

Canola basis levels continue to be an opportunity for sellers. Most line companies and crushers are in the zero range (also referred to as "option"). Ensure you're comparing fall basis levels as well ... they range from 15 under to 40 under. That makes prices still above the \$9.00/bu, off the combine—something to consider.

Green edibles climbed this week but yellows continue to flip-flop between \$6.25 and \$6.50/bu in most areas. I'm a bit concerned that there's a lot of yellows sitting in the bin so there might be a rush of selling just before roadbans or seeding which is not good for prices. Greens, on the other hand, with less than 5% bleach, continue to command higher prices. What colour will YOU be seeding this spring? Feed peas continue to be in the \$5.50 to \$6.25/bu range at the bin, depending upon the area. Watch the "feed" price on your splits & cracks ... sometimes, it can be more profitable to sell your yellows as feed rather than a #2 CW!

## Watching ICE

Your weekly closing ICE futures \$/MT

Canola	This Week	Last Week	Diff +/-
Mar 09	\$423.00	\$429.60	↓ (\$6.60)
May 09	\$431.20	\$437.40	↓ (\$6.20)
Jul 09	\$438.50	\$444.30	↓ (\$5.80)
Nov 09	\$445.90	\$449.80	↓ (\$3.90)
Jan 10	\$454.60	\$458.50	↓ (\$3.90)
Mar 10	\$457.80	\$461.50	↓ (\$3.70)
Barley	This Week	Last Week	Diff +/-
Mar 09	\$142.60	\$145.60	↓ (\$3.00)
May 09	\$149.10	\$152.10	↓ (\$3.00)
Jul 09	\$153.70	\$156.70	↓ (\$3.00)
Oct 09	\$153.70	\$156.70	↓ (\$3.00)
Oct 10	\$153.70	\$156.70	↓ (\$3.00)

## Be Grainwise!

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

### US Grain

#### Soy Complex

MAR beans took it on the chin, slipping through nearterm support at \$9.68, settling 45½ cents lower at \$9.55½/bu. Meal's performance was equally grim, sliding \$19.60 lower to \$297.70/t. All things considered, MAR oil held up well dipping "just" .4 cents to 33 cents/lb.

Once again, market fundamentals were trumped by the influence of outside events (see Strategies).

Weekly exports were exceptional, coming in over pre-report expectations at 1.068 mmt. (233,200 mt are needed on a weekly basis in order to meet the current annual USDA projection of 1.15 bln bu.) Inspections were also very strong at 1.393 mmt. For those of you unfamiliar with "inspections," the term refers to the amount of grain actually shipped for export rather than the sales figure which obviously reflects new sales.

#### Corn

Weekly corn sales were nothing short of phenomenal, coming in at 1.543 mmt. That's over twice as much as is needed on a weekly basis to meet USDA projections for the entire crop year.

Friday, an additional sale of 151,750 mt to South Korea and Taiwan supported prices. But, in spite of stellar demand, outside markets conspired to push MAR corn 14 cents lower on the week to \$3.63¼/bu.

Both corn and beans benefited earlier in the week from reports of another possible farm strike in Argentina. That support waned though when it was learned that any possible strike action had been put on the back burner for the time being.

Strong commercial buying in both corn and beans prevented further losses but speculative money has been noticeably absent for some time (particularly on the long side of the market).

#### Wheat

Despite reports that up to 40% of the Chinese wheat crop (China is the largest

producer of wheat in the world) may be impacted by drought, wheat futures failed to rally. Much like corn and beans, pressure from outside markets and just plain general fear about being in any market these days is taking its toll.

Exports were a very solid 411,700 mt. However, traders are looking at the world economy and the impact it may have on future demand. Current demand seems to be, if not ignored, at least discounted.

MAR CBOT wheat slid 21½ cents to \$5.25½/bu while KCBT wheat slipped 12 cents lower to \$5.74½/bu. MAR MGE wheat closed out the week at \$6.36/bu, a loss of 18¾ cents.

### Canadian Grain

#### Oilseeds

Considering the losses seen in US beans, MAR canola held up well, dipping just \$6.60 to \$423.00/MT.

Steady Chinese buying and expectations of further interest offset a pickup in farmer selling as cash prices approached \$10.00/bu. Tight commercial supplies are contributing to excellent basis opportunities.

However, ideas that spring canola plantings could match or even exceed last year's record level weighed on prices.

#### Feedgrain

MAR barley slipped \$3.00 lower to \$142.60/MT in sympathy with losses in the US corn market. However, cash bids remain largely unchanged. Check with Shelley about any possible "road ban" premiums in the coming months.

Edible pea bids are enjoying a spurt to the upside. Shop around.



"Your grain watchdog."

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## Strategies

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

Had it not been for outstanding export figures this week, we may have seen dramatic declines in grains and oilseeds.

As it was, the battle between bullish grain fundamentals and pessimism over the world economy played itself out once again. As I've mentioned before, when it comes to market psychology, fear wins hands down—and there's no shortage of that emotion in the markets today.

Whether it's the inability of US legislators to pass a stimulus package or the concern over global credit, there's a never-ending supply of negative news that keeps investors with their hands planted firmly in their pockets.

This week, oil was down, the US dollar was up, and the stock market was heading south—none of which were supportive to grains and oilseeds.

As far as the situation in South America is concerned ... who knows? Obviously, production has been hurt but no one seems sure to what extent. We did see some showers this week and, in

some places, precipitation was better than expected leading the market to believe production shortfalls shouldn't get any worse from this point on. However, I've also heard the case for higher prices due to a return to hotter dryer weather forecasted for next week. Unfortunately, you can hear both of these arguments mentioned not only on the same day but even in the same commentary—take your pick.

Besides S/D fundamentals, the single biggest problem with grain markets right now is this—investor confidence has been shaken to the core! It may be some time before speculators are willing to put their money at risk again.

If there's one small ray of hope, it's that ocean freight rates (which have been dirt cheap) are rising. Analysts consider this to be the first sign of an economic turnaround because freight rates don't rise unless cargo is beginning to move and there is at least a small amount of competition for their services.

### Technical Analysis

From a technical perspective, most markets keep bumping along in a sideways trend. The MAR corn chart is a perfect example.

Range-bound between lines "A" and "B"... these lines act as the first line of resistance and support. While the sideways trend remains intact, there's a disturbing tendency for lower highs within that "A - B" channel.

The MACD "C" is neutral so there's no guidance there. The RSI "D" is also in neutral territory.

In a nutshell, technicians are sitting on the fence—the same as everyone else. I guess they don't call it the February blah's for nothing!

Charts provided courtesy of [TradingCharts.com](http://TradingCharts.com)  
[www.futures.tradingcharts.com](http://www.futures.tradingcharts.com)



## At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 50 lb	\$3.00 FOB	Feb	Kirriemuir
Barley, 50 lb	\$3.18 FOB	Feb-Mar	Mossleigh
Canola	\$9.87 del Joffre	Nov	Millet
Canola	\$9.97 del Stony Plain	Mar	Stony Plain
Canola	\$9.76 del Stony Plain	Feb	Stony Plain
Canola	\$9.50 FOB	Feb	Edberg
Canola	\$3.00 under May	Mar	Sangudo
Canola	\$9.81 del Joffre	Nov	Clive
Flax	\$11.87 FOB	Feb-Mar	Viking
Flax	\$12.20 del Edmonton	Feb-Mar	Calmar
Oats, feed	\$1.75 FOB	Feb	Consort
Oats, feed	\$2.07 FOB	Feb	Clive
Peas, yellow	\$6.15 FOB	Feb	Leduc
Peas, yellow	\$6.00 FOB	Feb	Rivercourse
Peas, yellow	\$6.25 FOB	April	Castor
Peas, green	\$8.25 FOB	Feb	Leduc
Wheat, feed	\$4.51 FOB	Mar	Clive

### Energy Options for the Farm Gate

AAFRD and the Southern Applied Research Association (SARA) are hosting an alternative energy conference in Taber on March 17 and 18. **Energy Options Behind the Farm Gate 2009; Practical Solutions for Wind and Alternative Power Generation** is a 2-day conference geared to a rural and farm producer audience and will focus on ways to use renewable energy and energy efficiency technologies in farm operations.

"The conference will cover topics such as using small wind energy technology, rural applications of solar photovoltaic (PV) electricity, solar thermal heating, solar air heating, and geothermal heating," says Kelly Lund, professional engineer, AAFRD. Information on the On-Farm Energy Assessment program and give an update on federal and provincial incentive and rebate programs will be reviewed.

As well as a discussion about the new Alberta Energy Micro-Generation Regulation that allows approved small renewable energy producers to receive credit for any excess electricity they put back on the grid, the agenda includes:

- how to work with the wire service provider to apply to become a micro-generator
- an overview of the permitting application process for installing Renewable Energy systems
- low-energy winter waterers for livestock
- banquet guest speaker, Paul Gipe, well-known for his role in Ontario's implementation of Standard Offer Contracts for grid-connected Renewable Energy in that province
- a small trade show so that attendees can become familiar with some of the renewable energy technologies and services available in Alberta.

Registration is limited so early registration is advised. Cost for the two-day conference is \$120<sup>+GST</sup> and includes a banquet the first evening. Single day registrations are also available. Forms, information, and full conference details are available through the Ag-Info Centre Registration Line at (800) 387-6030 or at:

<http://areca.ab.ca/site/sara>

## Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	Feb	\$3.10 del Heisler
Barley	Feb	\$3.01 del Cherhill
Barley	Feb-Mar	\$3.34 del Lethbridge
Barley	Mar-Apr	\$3.10 del Carrot Creek
Barley	Mar	\$2.92 del Czar
Wheat, feed	Mar	\$4.51 FOB Edmonton
Wheat, 12.5% prt	Mar	\$4.51 FOB Edmonton
Wheat, 12.5% prt	Mar	\$4.57 FOB Edmonton
Wheat, 12.5 % prt	Apr-Jun	\$4.84 del Red Deer
Wheat, feed	Apr-Jun	\$4.29 del Red Deer
Peas, yellow	Feb-Mar	\$6.20 del Edmonton
Peas, feed	Feb-Apr	\$6.06 FOB Edmonton
Peas, yellow	April	\$6.50 del Innisfail
Peas, green	April	\$8.80 del Innisfail
Peas, green 10% bleach	April	\$8.30 del Innisfail
Peas, green 15% bleach	April	\$8.05 del Innisfail
Peas, green 20% bleach	April	\$7.80 del Innisfail
Flax, milling	Feb-Mar	\$12.20 del Edmonton
Canola	Feb	\$9.53 del Stony Plain
Canola	Feb	\$9.53 del Joffre
Canola	Feb	\$9.49 del Lloydminster
Canola	March	\$9.58 del Fort Sask
Canola	March	\$9.49 del Lloydminster
Canola	March	\$9.53 del Stony Plain
Canola	July	\$9.40 del Fort Sask
Canola	July	\$9.61 del Joffre
Canola	Nov	\$9.62 del Joffre
Canola	Dec	\$9.62 del Fort Sask
Oats, feed	Feb-Mar	\$2.18 del Lethbridge
Oats, milling	March	\$1.67 del Martensville
Oats, milling	April	\$1.56 del Barrhead
Oats, milling	July	\$1.85 del Martensville
Oats, milling	July	\$1.69 del Barrhead
Oats, milling	Nov	\$1.99 del Martensville
Oats, milling	Nov	\$1.83 del Barrhead

## Classifieds

**For sale:** If you're looking for certified seed, contact Dave at **Bright's Seeds** in New Norway @ (780) 855-2240:

Certified CDC Copeland barley:	\$8.50/bu
Certified CDC Cowboy barley:	\$8.25/bu
Certified CDC Coalition barley:	\$8.50/bu
Certified AC Crystal wheat:	\$10.00/bu
Certified Harvest wheat:	\$10.75/bu

**Wanted:** SuperB trailers. Phone Rix Farms at (780) 352-1674 or (780) 352-1209.

**Got ergot?** Call Laverne Buchert, (780) 387-1257. He'll put your wheat through a gravity table at 450 bu/hour.

**For sale:** seed oats, 96% germination, contact Dennis in Lac La Biche at (780) 623-7709.