

## At Market Master

By Shelley Wetmore

April 3, 2009.....

I just thought I'd spend a little time (again) on demonstrating how a good basis can really work in your favour.

Remember, a couple of weeks back, canola basis were extremely narrow. In fact, the best I've seen in about 10 years. One example, was a \$17 over MAY futures for spot delivery. A basis today for spot delivery is around \$6 under the futures. That's a difference of \$23 which translates to almost \$1,000 per SuperB. If the better basis was priced on Friday's close, the producer's canola price would be \$10.12/bu net, delivered to Edmonton. Today's spot price (with the wider basis) would be \$9.69/bu. Keep your eyes open for good basis opportunities for 2010. There are a few available.

Believe it or not, we actually have a fall feed barley bid ... \$3.42/bu delivered to Lethbridge. I don't think anyone will be to excited about that yet. I wonder who is going to actually seed feed barley this year? One determining factor may be our seasons. Face it, spring is a little late this year. For those looking at increasing wheat acres over barley for a cereal rotation, the question becomes, "Will there be enough time?" It's awfully snowy and wet out there yet in many parts of the province. I believe actual seeding intentions have plenty of time to change yet—whether the producer wants to or is forced to.

## Watching ICE

Your weekly closing ICE futures \$/MT

Canola	This Week	Last Week	Diff +/-
May 09	\$431.80	\$416.10	↑ \$15.70
Jul 09	\$435.80	\$420.90	↑ \$14.90
Nov 09	\$439.30	\$425.70	↑ \$13.60
Jan 10	\$443.30	\$430.10	↑ \$13.20
Mar 10	\$445.40	\$434.10	↑ \$11.30
May 10	\$447.90	\$438.00	↑ \$9.90
Barley	This Week	Last Week	Diff +/-
May 09	\$143.50	\$151.90	↓ (\$8.40)
Jul 09	\$148.10	\$157.00	↓ (\$8.90)
Oct 09	\$149.10	\$158.00	↓ (\$8.90)
Dec 09	\$151.50	\$158.00	↓ (\$6.50)
Oct 10	\$151.50	\$158.00	↓ (\$6.50)

## Be Grainwise!

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

### US Grain

#### Soy Complex

Soybeans posted strong gains on the strength of a bullish USDA report (see Strategies) and continued strong export demand. At 599,800 mt, it was more than 3½ times the total needed to meet current yearly projections. Also helpful was weakness in the US dollar alongside strength in crude oil and the DOW. Reports from Argentina that this year's bean crop could be as small as 37 to 39 mmt was also supportive. The current USDA projection is for a crop of 43 mmt. Last year's crop was 46.2 mmt.

Forecasts for continued cool, wet weather over the next 10 to 14 days for much of the Midwest (at a time when producers should be preparing to plant) also lent underlying support.

On the week, MAY beans fired 78½ cents higher to \$9.95½/bu while meal romped \$22.20 higher to \$306/t. MAY oil also fared well, closing 2.90 cents higher at 35.32 cents/lb.

#### Corn

This week's USDA report wasn't as bullish for corn but spillover support from beans and wheat helped propel the MAY 17½ cents higher to \$4.04½/bu.

A strong weekly export figure of 1.251 mmt was well over pre-report estimates and also lent a bullish tone to the market.

Like beans, concern that cool wet weather may delay planting also provided support.

#### Wheat

Wheat had a strong week with the MAY CBOT closing a full \$56¼ cents higher to \$5.63½/bu while KCBT wheat shot 58 cents higher to \$6.08/bu. MGE wheat fared best of all closing out the week at \$6.71½/bu, a rise of 63¾/bu.

Although portions of the US plains received beneficial moisture in the form of a huge dump of snow this past weekend, many areas received less than hoped for. Many producers complained that while the snow was indeed welcome, strong winds blew a lot of it off the fields. There's now concern that a

possible frost event next week could further damage the crop. While this week's USDA report wasn't overly bullish, it did indicate fewer acres than many anticipated.

Weekly exports were stronger than expected at 283,500 mt and fueled this week's bullish sentiment.

### Canadian Grain

#### Oilseeds

MAY canola posted solid gains, climbing \$15.70 higher to \$431.80/MT largely on the strength in the bean market. Export interest from Mexico and Pakistan was supportive but our strong Canadian dollar (currently trading over 81 cents US) capped further gains.

Steady farmer selling as cash bids neared \$10.00/bu in many locations also weighed on futures as did the perception that prairie producers continue to look to plant another record canola crop.

#### Feedgrains

Fortunately, for barley growers, cash bids continue to hold a strong premium over futures. Commercial selling accounted for a weekly further loss of \$8.40 in the MAY which closed at \$143.50/MT.

Good news for pulse growers this week when it was announced India would NOT be imposing an import tariff on pulses this year.

## WANTED

Smart, ambitious person to join the "grain watchdog" team as a grain marketing representative. Must have common sense, pay attention to detail, enjoy talking with grain producers, and demonstrate a real, caring concern about agriculture. Send resumes to: shelley.wetmore@shaw.ca



"Your grain watchdog."

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## Strategies

*A Farmer's Perspective ... by John Stewart, Galahad, Alberta,*

Market watchers looking to last Tuesday's USDA S/D and Prospective Plantings report to inject enthusiasm into the markets were not disappointed. There were two big surprises.

### Surprise # 1

The first was that soybean acres came in well below expectations at just 76.024 mln acres. This was 3 mln acres less than was anticipated. The relatively high price of beans, along with the high input costs associated with corn production, had most analysts expecting a large swing to bean acres. Exceptionally wet conditions in parts of the corn belt also pointed to an increase in bean acres but US producers seem poised to plant much the same size crop as last year.

Corn acres were expected to be sharply lower than last year's 85.982 mln acres, so Tuesday's estimate of 84.986 mln acres was already built into the market. In fact, if anything, this figure was considered slightly bearish in light of the fact most traders were expecting an even lower number.

Wheat acres were down 4.5 mln acres, a sharp decline from last year's years 63.147 mln acres. This figure was slightly lower than what was anticipated and was perhaps partially responsible for wheat's better showing this week.

### Surprise # 2

What about the number of acres NOT accounted for?

By my math, there were 6.3 mln fewer acres accounted for in this report than were planted last year. That observation did not go unnoticed amongst trader's either with some openly questioning the validity of the whole report.

Since Tuesday's release, I've heard many different theories as to why there would be fewer acres planted this year than last but I'm not sure just how credible any of them are.

They include a reduction in double seeded acres. In some areas of the South, it's common practice to plant winter wheat and then plant short season beans after harvest.

Some feel high input costs, combined with extreme moisture conditions in some areas, will keep some acres out of production. With grain prices sharply lower than last spring, I realize the incentive to get those acres planted might not be quite as strong but betting against the American farmer getting their crop in the ground has most often been a losing bet.

Tuesday's report was survey based and as such provides the best figures that are currently available. For that reason the market will have to work with the figures provided. It will not be until the June 30<sup>th</sup> Planted Acreage report that we'll know what American producers actually planted and if those "missing" acres ever show up.

### Deadlines!

Just a reminder that April 30th is the last day to apply for, change, or cancel coverage under the **Annual Crop Insurance** programs. April 30th is also the last day to pay the **2009 AgriStability** fee without penalty. For more information, contact your local AFSC office.

## Classifieds

**Equipment:** 2006 Seed Hawk 50' with 12" spacing, c/w 2006 Bourgault 6350 tow between Air Tank, excellent condition. Asking \$148,000 OBO. Kent at Erickson Agro, Irma, at (780) 336-5509.

**Certified seed.** Ed Lefsrud (780) 336-6700 or Kevin Lefsrud (780) 336-5700, Viking. AC Metcalf malt barley, AC Splendor CWRS, Snowbird CWHW, flanders and Hanly flax, Cutlass yellow peas.

**Certified seed.** Todd Clark, Tribend Ranch, Edmonton, (780) 499-5060. Discounts available for AC Foremost if picked by April 15th.

Certified AC Foremost CPSR wheat	\$10.00/bu
Certified Superb CWRS wheat	\$11.00/bu
Certified AC Andrew CWSWS wheat	\$10.00/bu

**Certified seed.** Call Don Gibson Seeds, Sangudo, (780) 785-2588 or (780) 785-2214.

Certified Sundre barley	\$6.50/bu
Certified Ponoka barley	\$6.50/bu

**Certified seed.** Dave @ Bright's Seeds, New Norway, (780) 855-2240, briseed@mailhub.ca

Certified CDC Copeland barley	\$8.25/bu
Certified CDC Cowboy barley	\$7.50/bu
Certified CDC Coalition barley	\$8.50/bu
Certified AC Crystal wheat	\$10.00/bu
Certified Harvest wheat	\$11.75/bu

**Certified seed.** Craig Ference, Kirriemuir, (780) 753-1283. CDC Baler forage oats with 99% vig and 99% germ. CWSW AC Andrew wheat 98% vig and 98% germ.

**Wanted.** SuperB trailers. Rix Farms, (780) 352-1674 or (780) 352-1209.

**Common seed barley.** Hugh Skocdopole, Wildwood Ranches, Evansburg, (780) 325-2573. 58 lb, 97% germination, \$5.50/bu.

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

**Common seed oats.** Kevin, Two Hills, (780) 657-2477.

**Common green pea seed.** 97% germination, contact Brian in Tofield at (780) 662-2798.

**Common yellow pea seed.** 99% germination, \$9.00/bu rough, picked-up in Morinville, contact Mike @ (780) 719-0334.

## Prairie Oat Growers Association

### April Meetings

Tuesday, April 14, Fairview, Dunvegan Inn  
 Wednesday, April 15, Lamont, Rec Centre  
 Thursday, April 16, Camrose, Elks Lodge  
 Start time: 9:30 am  
 More details to follow.

## At The Bin

Prices booked this week (net to the producer).

Grain	Price	When	Producer
Barley, 48 lb	\$3.01 FOB	April	Alliance
Barley, 48 lb	\$3.31 del Red Deer	April	Ferintosh
Barley, 48lb	\$3.01 FOB	Apr-May	Thorhild
Barley, 50 lb	\$3.01 FOB	April	Bruce
Barley, 50 lb	\$3.01 FOB	April	Innisfree
Barley, 50 lb	\$3.01 FOB	Apr-May	Stony Plain
Barley, 52 lb	\$3.31 del Ponoka	April	Ponoka
Barley, 54 lb	\$3.01 FOB	April	Beaumont
Wheat, feed	\$4.95 del Lloydminster	May	St. Paul
Wheat, feed	\$4.57 FOB	April	Hanna
Wheat, CWB		Apr-Jun	Ferintosh
Oats, #2 CW	\$1.91 FOB	Apr-May	Athabasca
Oats, #2 CW	\$1.91 FOB	Apr-May	Elk Point
Oats, milling	\$1.91 FOB	April	Boyle
Canola	\$9.54 del Edmonton	Jan 2010	Gwynne
Canola	\$14.50 under JAN del Edmonton	Jan 2010	Wetaskiwin
Canola	\$9.73 del Edmonton	May	Rollyview

## Bid Board

Buyers looking for grain (net prices)

Grain	When	Location
Barley	Apr-May	\$3.42 del Lethbridge
Barley	Apr-May	\$3.10 del Vermillion
Barley	Apr-May	\$3.10 del Carrot Creek
Barley	May	\$3.10 del Irma
Barley	May	\$3.10 del Kirriemuir
Barley	Sep-Oct	\$3.42 del Lethbridge
Wheat, feed	Apr-Jun	\$4.84 del Red Deer
Wheat, feed	May	\$4.95 del Lloydminster
Peas, yellow	Apr-May	\$6.10 del Innisfail
Peas, green	Apr-May	\$8.80 del Innisfail
Peas, green 10% bleach	Apr-May	\$8.20 del Innisfail
Peas, green 15% bleach	Apr-May	\$7.50 del Innisfail
Peas, green 20% bleach	Apr-May	\$7.25 del Innisfail
Peas, yellow	Sep-Oct	\$5.36 del Innisfail
Rye, feed	Apr-May	\$4.26 del Red Deer
Triticale, feed	Apr-May	\$3.71 del Red Deer
Canola	April	\$9.73 del Lloydminster
Canola	April	\$9.85 del Edmonton
Canola	April	\$9.57 del Fort Saskatchewan
Canola	April	\$9.71 del Joffre
Canola	June	\$9.89 del Fort Saskatchewan
Canola	June	\$9.71 del Lloydminster
Canola	June	\$9.69 del Edmonton
Canola	October	\$9.22 del Edmonton
Canola	November	\$9.45 del Edmonton
Canola	November	\$9.45 del Lloydminster
Canola	November	\$9.50 del Joffre
Canola	January	\$9.67 del Edmonton
Oats, feed	Apr-May	\$2.10 del Fort Macleod
Oats, #2 CW	Apr-May	\$2.28 del Lehtbridge
Oats, milling	July	\$1.97 del Martensville
Oats, milling	July	\$1.92 del Barrhead
Oats, milling	November	\$2.15 del Martensville
Oats, milling	November	\$2.07 del Barrhead

## By The Number

	This Week	Last Week	Diff +/-
CME Live Cattle (APR)	\$86.05	\$84.35	↑ \$1.70
CME Live Hogs (APR)	\$60.25	\$60.40	↓ (\$0.15)
CDN Dollar (JUN)	\$0.81	\$0.81	→ \$0.00
Minneapolis Wheat (MAY)	\$5.63	\$5.08	↑ \$0.55
Kansas City Wheat (MAY)	\$6.07	\$5.50	↑ \$0.57
Chicago Oats (MAY)	\$1.99	\$1.92	↑ \$0.07
Diesel (spot, Edmonton)	\$0.67	\$0.68	↓ (\$0.01)
Crude/Oil (MAY)	\$52.55	\$52.30	↑ \$0.25

## Bill C-19

Please take a moment to inform yourselves about Bill 19 – the LAND ASSEMBLY PROJECT AREA ACT and hopefully sign the petition to oppose it. In sum, Bill 19 is an attempt to streamline the expropriation process of private property for major infrastructure projects. Although justified under the guise of acquiring land for utility corridors, the Bill is broadly worded to allow for any major infrastructure projects including pipelines, gas wells and nuclear reactors. Worse the Bill gives considerable power and discretion to government Ministers and removes existing rights of land owners and the public to question the public interest value of major infrastructure developments by criminalizing any objections with a \$100,000 fine and/or two years in jail. Please learn more and pass the info around!

Website: <http://killbill19.wordpress.com>

Sign the Petition:

<http://www.thepetitionsite.com/petition/730932268>

## Mane Event

The Mane Event is an equine education and trade fair event that all Albertans involved in horses will want to attend. The Trainer's Challenge, equine trade fair, demos and over 81 hours of clinics are just some of the highlights for this year's event, being held in Red Deer on April 24 to 26, 2009. [www.maneeventexpo.com](http://www.maneeventexpo.com)



## Conversion Table

40 MT of	Equals	# of bu
barley	x 45.930	1,837 bushels
wheat, peas	x 36.744	1,470 bushels
canola	x 44.092	1,764 bushels
flax, rye, corn	x 39.368	1,575 bushels
oats	x 64.842	2,594 bushels