

At Market Master

By Shelley Wetmore

April 10, 2009.....

Happy Easter!

If you can believe it, there may actually be someone seeding this weekend in the south central part of Alberta. I'm only just realizing that spring is actually here because I certainly can't tell by the grain marketing patterns. Typically, by this time, the roadban/muddy yard pricing has come in to play. However, because of our late spring, perhaps this is why that typical marketing pattern is also late. Road bans are almost in full swing, yards are now becoming soft, and many endusers are still only buying hand-to-mouth. We'll see what the next few weeks bring. By the way, if you're unsure about roadbans in your area, here's the website link for Alberta:

www.transportation.alberta.ca

If you need to move milling oats, check-out the Bid Board. Some of the highest prices I've see are available for the delivery the next couple of weeks but tonnage is limited.

Also new is the first fall bid for green peas (along with the yellow). Prices are certainly not close to last year's fall bids but, then again, nothing is.

Continue to watch for good canola basis levels. If you're interested, 15 under for March and April 2010 is available plus a zero basis for August delivery (\$9.85) - both into the Edmonton area.

Watching ICE

Your weekly closing ICE futures \$/MT

| Canola | This Week | Last Week | Diff +/- |
|--------|-----------|-----------|------------|
| May 09 | \$428.50 | \$431.80 | ↓ (\$3.30) |
| Jul 09 | \$433.20 | \$435.80 | ↓ (\$2.60) |
| Nov 09 | \$436.80 | \$439.30 | ↓ (\$2.50) |
| Jan 10 | \$440.40 | \$443.30 | ↓ (\$2.90) |
| Mar 10 | \$442.20 | \$445.40 | ↓ (\$3.20) |
| May 10 | \$445.30 | \$447.90 | ↓ (\$2.60) |
| Barley | This Week | Last Week | Diff +/- |
| May 09 | \$135.00 | \$143.50 | ↓ (\$8.50) |
| Jul 09 | \$141.50 | \$148.10 | ↓ (\$6.60) |
| Oct 09 | \$150.50 | \$149.10 | ↑ \$1.40 |
| Dec 09 | \$156.30 | \$151.50 | ↑ \$4.80 |
| Oct 10 | \$156.30 | \$151.50 | ↑ \$4.80 |

Be Grainwise!

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

US Grain

Soy Complex

MAY beans closed 11½ cents higher at \$10.07/bu following a choppy week of trade. Meal pushed \$5.20 higher to \$311.20/t while oil settled .10 cents higher at 35.42 cents/lb.

Beans bucked the trend of lower outside markets most of the week but when all the stars aligned on Thursday (a bullish USDA report with stronger crude oil prices and solid gains in the DOW), they failed to perform (see Strategies).

Concern continues over cool, damp conditions in the US Midwest which may delay seeding, however, I'm not sure how bullish that is towards beans at the moment. Planting delays may simply shift acres from corn to beans.

What WAS supportive is the ongoing strong export picture. This week's sales figure wasn't outstanding at 431,500 mt but was still over the weekly 174,300 mt needed to meet USDA sales projections. Also on the sales front, it was announced that China purchased a further 110,000 mt of old crop beans. (When sales are large enough, they must be reported on a daily basis and will be included in future weekly export sales data.)

Corn

With weather concerns in the Midwest, you might have thought corn would have enjoyed a strong week—not the case. MAY slipped 14¼ cents to \$3.90¼/bu. Weekly sales were strong at 1.063 mmt—over twice what's needed to meet yearly sales expectations of 1.7 bln bu. Inspections were also strong coming in over 1 mmt but futures failed to respond. This week's USDA report was mildly supportive but did little to influence futures at least for now.

Wheat

Fundamentally, wheat is the most bearish grain so it wasn't surprising that if corn and beans were struggling—wheat would tumble. The MAY CBOT dropped 41½ cents to \$5.22/bu while KCBT slid 36½ cents to \$5.71/bu. MGE wheat dropped 27 cents to settle at \$6.44½/bu.

Weekly sales were below expectations at 189,400 mt but were still higher than the 141,200 mt needed to meet current yearly sales projections.

There was bullish news. Two nights of frost as far south as Houston has damaged the HRW wheat crop. However, the market believes not enough harm was done to change the overall S/D picture. Interestingly, the LAST big spring frost event wasn't taken seriously by traders to start with either. Time will tell just how much damage was actually done. Prior to this week's frost, the winter wheat crop was rated slightly lower than last year at 43% in the good-to-excellent category—well below the rating given when it went into dormancy last fall.

Canadian Grain

Oilseeds

Steady crusher buying due to very good canola crush margins was offset by the relatively weak vegoil market and a stronger Canadian dollar.

There have been rumours of Chinese interest but nothing that could be confirmed. Concern over large stocks of unpriced canola still in the hands of producers also pressured the market as did the continuing perception that prairie producers remain poised to plant another huge crop again this spring.

MAY canola slipped \$3.30 lower to \$428.50/MT.

Feedgrain

MAY barley dropped \$8.50 to \$135.00/MT. Large on-farm barley supplies along with complacent endusers combined to send futures lower. A weaker corn market also contributed to this week's slide. Fortunately, cash bids remain relatively unchanged.



"Your grain watchdog."

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Edmonton, AB T6C 0G9
www.grainwatchdog.com
(800) 440-8390

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Strategies

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

Beans, Beans, Beans

As mentioned, Thursday was a disappointing day for market bulls.

When I got up this morning to check the Ag news, it looked as though grain futures (soybeans in particular) had nowhere to go but up. The Dow was sharply higher as was crude oil (two of the most influential outside markets.)

Adding to my optimism was a bullish USDA S/D report which trimmed US bean carryout projections from .169 bln bu to .165 bln bu. Not a huge move but I felt the 4.11 mmt drop in global carryout projections to 45.84 mmt was sure to catch the market's attention. Most of this decline came courtesy of a 4 mmt decline in projected Argentinean production. Private reports coming out of Argentina had pointed to a much smaller crop than officially indicated. However, many feel the USDA may have to further lower its production estimate in subsequent reports.

Initially, the market did move sharply higher but it soon became evident it was going to be one of those "buy the rumour, sell the fact" type of deals. There's also the distinct possibility some of the speculative longs in the market simply took profits early in the trading sessions and headed for the door to enjoy their long Easter weekend. Typically, when a market fails to rally on good news it's a very bearish sign. However, in this case, I'd like to reserve judgment.

The bean market in particular still looks bullish in my opinion. Sales are strong, global production is dropping, and the technical picture remains strong. It may well be that traders simply didn't want to stick their neck out over the long weekend and headed to the sidelines instead.

the strong push to the upside following the low that was carved out back in early March "A".

Also note how the MACD "E" predicted the trend change at that time. Since then, futures have marched ever higher, slipping below the upward channel "B" just once.

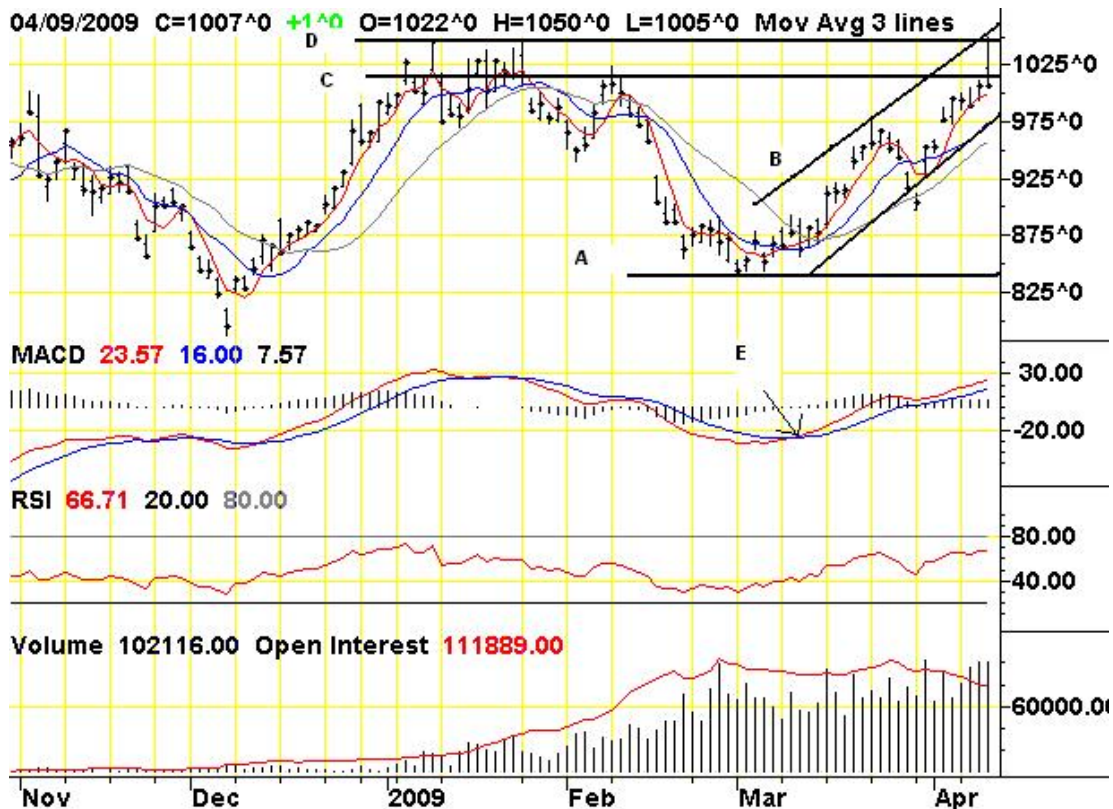
While today's action did push values above nearby resistance "C" ever so briefly, we were unable to close above that point. Should we clear that obstacle in next week's trading, we'll be able to set our sights on the contract high of \$10.48/bu "B".

Look for the market to start paying more attention to the weather as the planting season approaches.

Technical Analysis

Speaking of a strong technical picture, let's look at the MAY bean chart. Note

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 | \$3.10 del Vermilion | April | Vermilion |
| Barley, 50 lb | \$3.06 FOB | April | Edberg |
| Barley, 50 lb | \$3.03 FOB | April | Thorsby |
| Barley, 50 lb | \$3.06 FOB | April | Ferintosh |
| Barley, 50 lb | \$3.00 FOB | April | Westlock |
| Barley, 52 lb | \$2.94 FOB | April | Boyle |
| Barley, 54 lb | \$3.06 FOB | April | Donalda |
| Wheat, feed | \$4.70 FOB | April | Redwater |
| Wheat, feed | \$4.40 FOB | April | St. Michael |
| Wheat, feed | \$4.55 FOB | April | Edberg |
| Wheat, feed | \$4.76 FOB | April | Bshaw |
| Wheat, CWB | | Apr-May | Camrose |
| Peas, green | \$9.00 del Innisfail | April | Leduc |
| Peas, green | \$8.85 FOB | April | Galahad |
| Peas, green | \$9.25 del Innisfail | April | Leduc |
| Peas, green | \$8.60 FOB | Apr-May | Galahad |
| Peas, green 30% bleach | \$6.31 FOB | Apr-May | Mannville |
| Oats, feed | \$1.90 FOB | April | Evansburg |
| Oats, milling | \$2.18 del Barrhead | April | Westlock |
| Canola | \$9.88 del Fort Saskatchewan | June | Rochester |
| Canola | \$9.77 del Edmonton | Mar 10 | Gwynn |
| Canola | \$9.19 FOB | April | Consort |

Bid Board

Buyers looking for grain (net prices)

| Grain | When | Location |
|------------------------|-------------|------------------------------|
| Barley | April | \$3.31 del Lacombe |
| Barley | Apr-May | \$3.49 del Lethbridge |
| Barley | May-Jun | \$3.10 del Carrot Creek |
| Barley | May-Jun | \$3.10 del Kirriemuir |
| Barley | Sep-Oct | \$3.34 del Lethbridge |
| Wheat, feed | Apr-Jun | \$4.84 del Red Deer |
| Wheat, feed | May-Jun | \$4.95 del Lloydminster |
| Peas, yellow | May-Jun | \$6.10 del Innisfail |
| Peas, green | May-Jun | \$8.80 del Innisfail |
| Peas, green 10% bleach | May-Jun | \$8.20 del Innisfail |
| Peas, green 15% bleach | May-Jun | \$7.50 del Innisfail |
| Peas, green 20% bleach | May-Jun | \$7.25 del Innisfail |
| Peas, yellow | Sep-Oct | \$5.36 del Innisfail |
| Peas, green | Sep-Oct | \$6.94 del Innisfail |
| Rye, feed | May-Jun | \$4.26 del Red Deer |
| Triticale, feed | May-Jun | \$3.71 del Red Deer |
| Canola | May | \$9.67 del Lloydminster |
| Canola | May | \$9.67 del Edmonton |
| Canola | July | \$9.76 del Fort Saskatchewan |
| Canola | July | \$9.88 del Edmonton |
| Canola | August | \$9.87 del Fort Saskatchewan |
| Canola | December | \$9.60 del Lloydminster |
| Canola | February 10 | \$9.66 del Edmonton |
| Canola | April 10 | \$9.78 del Edmonton |
| Oats, milling | Apr-May | \$2.18 del Barrhead |
| Oats, feed | May-Jun | \$2.10 del Fort Macleod |
| Oats, #2 CW | May-Jun | \$2.27 del Lethbridge |
| Oats, milling | June | \$2.06 del Barrhead |
| Oats, #2 CW | Sep-Oct | \$2.32 del Lethbridge |
| Oats, milling | October | \$2.09 del Martensville |
| Oats, milling | October | \$2.01 del Barrhead |
| Oats, milling | January 10 | \$2.21 del Martensville |
| Oats, milling | January 10 | \$2.13 del Barrhead |
| Oats, milling | March 10 | \$2.26 del Martensville |
| Oats, milling | March 10 | \$2.18 del Barrhead |

Mission

imPULSEible!

U of A food scientists and nutrition students have been challenged to create innovative food products with whole pulses or pulse fractions. **Alberta Pulse Growers** invites you to see their products and displays.

- Who will win \$1,000 and move on to nationals in Winnipeg?
- Will they use pulse products of interest to your farm?
- Will a food product be created that will be a winner in the marketplace?

Judges include Lynda Steele @ Global News and Dr. Jay Han @ Leduc Food Processing Development Centre plus others.

Thursday, April 30

9:00 am—registration, 9:30 am—competition

12:30 pm—winner & wrap-up, lunch to follow

JG O'Donoghue Building, 7000—113 Street, Edmonton

RSVP to Michelle Lamer by April 22
office@pulse.ab.ca

By The Number

| | This Week | Last Week | Diff +/- |
|-------------------------|-----------|-----------|------------|
| CME Live Cattle (APR) | \$87.53 | \$86.05 | ↑ \$1.48 |
| CME Live Hogs (APR) | \$57.95 | \$60.25 | ↓ (\$2.30) |
| CDN Dollar (JUN) | \$0.81 | \$0.81 | → \$0.00 |
| Minneapolis Wheat (MAY) | \$5.22 | \$5.63 | ↓ (\$0.41) |
| Kansas City Wheat (MAY) | \$5.71 | \$6.07 | ↓ (\$0.36) |
| Chicago Oats (MAY) | \$1.98 | \$1.99 | ↓ (\$0.01) |
| Diesel (spot, Edmonton) | \$0.67 | \$0.67 | → \$0.00 |
| Crude/Oil (MAY) | \$51.45 | \$52.55 | ↓ (\$1.10) |

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!

<http://killbill19.wordpress.com>

Sign the Petition:

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

4-H Scholarships

This year, the Alberta 4-H Scholarship program will award over 100 scholarships with a total value of more than \$80,000. By submitting an application, Alberta 4-H youth can be considered for all of the Alberta 4-H Scholarships for which they are eligible. To be eligible, the applicant must be a past or present member of an Alberta 4-H Club and be enrolled in a post secondary institution. A number of regional scholarships are also available in addition to provincial ones. Visit the regional information section of the 4-H website for more information. The application process and application form are the same as for provincial scholarships unless indicated otherwise. Information and scholarship applications are available on the 4-H website at www.4h.ab.ca and by contacting the 4-H Foundation of Alberta at 780-682-2153, toll-free at 1-877-682-2153 or foundation@4hab.com

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.

Grain Watchdog

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

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 |

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.

Common oats and wheat seed. Craig Ference, Kirriemuir, (780) 753-1283.

Prairie Oat Growers Association

Tuesday, April 14, Fairview, Dunvegan Inn
 Wednesday, April 15, Lamont, Rec Centre
 Thursday, April 16, Camrose, Elks Lodge

9:00 am..... Registration (\$10)
 9:30 am..... POGA update
 10:00 am US Equine Industry, Randy Strychar
 10:40 am Establishment of oat commission
 11:00 am Developing Alberta oat varieties
 Lunch
 1:00 pm..... CGC issues review, Tom Jackson
 1:30 pm..... Q&A with milling representatives
 2:00 pm..... Will markets return to 2008 levels?
 3:00 pm..... Final questions, door prizes

www.poga.ca ... (306) 744-2775