

Rayglen Market Comments:

Canola markets have had a rough week, with futures ending today's trading session at their lowest values in some time. Over the course of the last 3 days, we have lost roughly \$12.00/MT on the nearby May futures. They closed today at \$510.80/MT. Basis levels continue to hover around \$25.00/MT under, putting spot bids delivered to plant near \$11.00/bu. Weakness came from bigger soy oil stocks and a stronger Canadian dollar. New crop still looks like a good play to secure movement, cashflow and to help mitigate storage risks. With an expected large increase in canola acres this year, finding shipment off the combine in September may be tough. With depressed values, it may be a good idea to consider a basis only contract. This will ensure a delivery window and allow you to lock in your price when you see fit. We expect basis levels won't get any better and are more likely to widen come harvest.

It was a quiet week on the pea trading side of things. Yellow and green peas are both sitting at the same value; around \$8.25/bu delivered. India is showing confidence in being able to cover a large portion of its pulse needs, as per a STAT report. That, along with the fumigation issue still in the air and the potential of an import duty, the pea markets are likely to stay quiet for a little longer. With a large pulse supply coming off enabling India to cover off much of their own demand, importing pulses becomes less necessary, which is partially why we are seeing these exemptions expire. For updates on new crop pea pricing, keep in touch with your merchant or call to throw out a firm offer.

Flax prices have been sideways to lower over the last couple of weeks. #1 brown flax is \$12.25/bu delivered, while milling flax remains at \$13.00/bu with limited buying. China has still been taking Canadian flax, but the arrival of a large bulk shipment in January has been putting pressure on prices. Canadian flax acres increased by 34% last year and there are reports that suggest another increase, but the size is still unknown. New crop prices this week on brown flax have been around \$12.50/bu picked up with an Act of God in select areas. There are also reports that the Black Sea region acres will also expand, which could push prices lower. All in all, prices are likely to remain sideways with the odd bump to fill a Chinese sale. Yellow flax prices have dropped off with little interest on the buying side.

We haven't seen much change in the feed wheat market over the last few weeks with a surplus of product available. Buyers are currently looking for May through July shipment now. Growers that are looking to get this product out before new crop starts coming off should be looking to lock in a delivery window. Currently, high vomi feed wheat that is max 10 ppm can still be sold at 3.00/bu picked up on farm depending on location. Growers that have product greater than 10 ppm can still find a market, but value will depend on specs and location. Max 2 ppm feed wheat can fetch a decent premium with bids as high as \$4.50-4.60/bu picked up on farm. These values depend greatly on location. These bids are based on grain that is 58lbs and max 15% moisture. Growers that are unsure of their weight and moisture should get it tested as accurately as possible as discounts can get high or grain can be rejected at the end user. We have seen some good interest in new crop durum in the southern areas of the province with trades being made at \$8.00/bu picked up on farm for #1 US quality for Sept/Nov movement. Growers looking to get some new crop durum locked in should call in to determine what can be done in your area.

A lot of interest in soybeans these days. Most producers looking at soybeans to manage excess moisture conditions or get a break from traditional pulse disease issues. Others are also looking at it to spread out spring planting timing demands, as well as additional flexibility on harvest timing. New crop soybeans have recently traded around \$12/bu with the line companies, which ranks soybeans within the top 5

return on investment cropping options for spring 2017. Raylen is now carrying a couple of different seed varieties, which are early maturing, high yielding and suited for western Canada. Call the office with any inquires you may have. Soybean acres are expected to increase 10% this season to a little over 6 million. Faba beans have remained stable over the past week. Indications are still coming in around \$5.50-5.75 FOB on 0 tannin feed varieties.

Nothing new with regards to global news on chickpeas this week. Steady interest in new crop acres remains with bids at the same value & additional buyers in the field looking to take positions. Seed is still in demand with a range of values for 75% germination and greater. If you have any seed with lab test results, we can find homes for it. Current crop seems to have picked up interest with bids on #2 CGC large size ranging from \$0.38-\$0.45/lb FOB farm. New crop #2 large chickpeas bid up a bit at \$0.44-\$0.45/lb FOB farm with discounts to over 10% damage. This is for limited quantity so please call to discuss options. There is still opportunity to lock in 15 bu/acre- call for further details. Feed chickpea bids range from \$0.33-\$0.35/lb FOB farm dependent on location.

The feed barley market seems to have crept up a little bit this week on some under 1ppm voml product. We aren't seeing buyers move up too much on their price, but any little bump in price helps and we are seeing more volume trade. Feed wheat is still a cheaper alternative and feeders are now finishing on wheat rather than barley. Movement on barley is a little pushed back into the beginning of the summer months. For low voml feed barley, max 1ppm, we are looking at indications around \$2.70-2.90/bu, and on higher voml, max 10ppm, prices are around \$2.50/bu FOB Farm. The malt side of things are slower but show us any product you have.

Mustard this week continues to remain steady with no big changes in old or new crop. New crop bookings have been consistent with profitable options still available for seed and contracts. New crop pricing for yellow mustard is at 35c/lb, oriental at 33c/lb on a forge variety, and 32c/lb on a cutlass. Brown is trading at 34c/lb, with all mustards having an Act of God and FOB farm. The spot price is flat with yellow sitting at 30c/lb for a summertime movement, as high as 34c/lb on brown if you are in the right freight area and around 28 cents in light trade for oriental. We still have a good supply of certified seed for all varieties, with treatment options and on farm delivery. Call into our office for more details or call your merchant.

Strange last couple days in the lentils markets as reds seem to have stabilized and #1 greens strengthening. Small green and large green buyers are looking for limited tonnage so be sure to get yours booked before they fill up. We are not sure if the green market spiked this week due to a short covering or road bans coming on, but it doesn't seem like this up swing will be long lasting. The world markets are still showing interest in green lentils, but at a reduced price compared to the highs that we saw earlier in the year. Keep in mind the price must remain relative to the Indian pigeon pea to stay competitive. Information this week suggests that the market is overrun with reds due to Australia's larger than expected crop and India's best harvest in a long time. Therefore, red markets will likely remain quiet until India uses up some of their stock and Australia supply becomes lighter, making Canadian lentils attractive again. Right now, if farms are expecting an increase in lentil values, they will need to remain patient on selling product in the bin.

Canaryseed has remained quiet over the past week. Total exports this season are down from last year by a wide margin. This is believed to be due to the lower prices we have been seeing over the course of the past year. Those prices have also resulted in a projected decrease of 40,000 Canadian acres in the

coming growing season, to a total estimate of 225,000 acres. Current bids for sound quality canaryseed are around the \$0.20-\$0.21/lb range, picked up in the yard.

There has been a slight increase in the oats market over the past week. Demand remains for some dry and heavy feed oats on the eastern side of Saskatchewan and into Manitoba. Prices for these oats are around the \$2.10/bushel range picked up in the yard for prompt movement. #2 CW oats have some potential for \$3.50 delivered into southern Manitoba, so be sure to call in to discuss options. No news to report on new crop contracts, but as always, this is a good opportunity to use our offer system so give us a call.