



Market Comments – September 20, 2017

Canary seed is usually a later crop to harvest, but farmers are making great progress this year and getting it in the bin. This is largely due to hot dry temperatures we have experienced this summer, allowing the combines to roll uninterrupted. At the beginning of this week 49% of Canary seed was reported to be in the bin, which is up significantly from the previous year, 16% at the same time. Agriculture Canada reports that production could reach 117,000MT based off 254,000 acres. This number is down a bit from last year, which produced around 140,000MT. Pricing on Canary seed has been trading around 21¢/lb for sound quality.

Flax buying is a little quiet this week, with milling prices hit and miss. \$12.00/bu picked up is still floating around, while #1 flax is \$12.00/bu delivered. Yellow flax prices are few and far between, but indicated prices are around \$13.50/bu picked up depending on area. Flax harvest is underway in the prairie provinces and yields do seem to vary. Some reports in Manitoba are up to 45bu/acre, while others in the southern areas of Saskatchewan are well below that mark. Chinese purchases from Canada have slowed down as there are other origins putting flax into the market. Russia and Kazakhstan are also pushing for flax into Europe. The biggest change will likely come from US demand due to the drop in their 2017 crop. Until more flax is exported, the tighter supplies won't be felt, which means we may not see any price strength until later in 2017/18.

As harvest is coming to a wrap, pea yields seem to be averaging well. Prices are remaining under pressure for the time being and we are seeing bids around \$7.25/bu picked up on yellow peas and \$8.75/bu delivered on green peas. If you are in the South-East of the province we have some higher yellow pea pricing available for a new year movement. As per a stat report, China's pricing for Canadian pea offers also took a dip last week, which will keep pea pricing a little sluggish. Green peas are expected to strengthen, but we likely won't see that till later 2017/2018. With harvest almost done we are having some pea supplies pop up for seed opportunities. On green peas, it is getting harder and harder to move smaller varieties and it may be a good idea to update your seed to a newer, larger variety.

Lentils continue to lose ground in the market place. Prices may have been affected by India deciding to export certain pulse crops, including the pigeon pea, which is directly related to the large green lentil markets. Other news from around the world is that Australia is selling lentils into the market at 19¢/lb Canadian. If Australia continues to sell at those levels, we expect Canadian origin lentils to continue to lose value. One buyer is using these values on new crop red lentils for indication purposes: 18¢/lb for a #1, 17¢ for a #2, 14¢ for X3 and 11¢ for a #3. Old crop is trading around 20¢ for #2 reds. Large green lentils have also slipped off their highs and prices vary from buyer to buyer with #1 from 37-43 and #2 34-39. At this point in time it might be good to take a few lentils off the table just to protect against further price drop.

We are seeing feed barley stabilize this week with buyers showing attractive bids for further out movement, but that may be a problem if you are needing the cash flow or bin space. There are also good bids for quicker movement, but bids are faded a bit. As it stands, \$3.65/bu FOB farm for January March movement or around \$3.35/bu FOB farm for October movement are realistic bids. Reminder to get your product tested for vom, moisture, and weight. Offers have also been a great tool the past few weeks in the barley market, so make sure you are talking to your merchant on that. Malt barley has been quiet on the pricing side, but we have been hearing good reports of barley making malt this year.

Soybean futures are up today, but have largely traded sideways in recent weeks. Soybean futures "up days" have been driven by a recent rash of large export sale announcements and conversely pushed down by a looming large US crop. The US soybean harvest is getting started at 4% complete, 1 point shy of the average pace. Canadian soybean production is estimated to be a record at 8.3 million tonnes in 2017, up 28.8% from last year based primarily on increased seeded acres. Nearly half of the national soybean production is expected from Ontario. At this point, soybean prices will be dependent on strong consumption. China, the world's No. 1 buyer, is forecasted to import 95 million tonnes, up from 92 million from last year. As stated last week, the U.S. biodiesel tax credit is expected to generate 1.5 - 2.0 million tonnes of additional domestic demand. Local soybean bids are in the \$10.15/bu FOB farm range. Faba bean supplies continue to be scarce and prices across the Prairies remained largely unchanged in the \$5.75-6.00/bu FOB farm range.

Oats remain a very quiet commodity these days. Demand for feed oats is low with indications right around \$1.50-\$1.75/bu picked up in the yard. Bids are spotty at these levels and are being looked at on a case by case basis. For milling quality oats, bids remain below the \$2.50/bushel mark with our latest trade going through at \$2.20/bu picked up. No major shifts in these prices are expected in the near future, but if you have some values in mind be sure to call in and discuss your options with a merchant.

Demand in the feed wheat market remains sideways with little to no changes over the past week. The story remains the same as cheaper corn pushes up into the feed market from the US, keeping local prices in check. Feed wheat that is under 1 PPM vom continues to be at \$4.60-\$4.85/bu picked up depending on location and feed wheat coming in with a max 10 PPM vom is holding steady around \$4.00/bu picked up in the yard. Knowing your vom levels is always a good idea for making quick trades when market premiums pop up.

Chickpeas are still one of the only bright spots in the markets these days. The large kabuli bids remain in the high 60's for across the board pricing and picked up in the yard. If you are holding on to your chickpeas at these bids the question to you would be why? The other pulse markets are getting pummeled so take that huge opportunity that is in front of you and move on to the next issue. There has been some buyer interest in chickpea contracts for the fall of 2018 at attractive levels if you want to get a head start on next year's marketing. If you are a desi chickpea grower and you need a price we do have a few buyers who have shown some interest around 30 cents at the yard.

Canola markets pushed slightly higher today, finishing \$0.80/MT up to \$492.90/MT on the November. Weather was a factor that many had their eye on as rain, snow and cooler conditions put some bullishness into the market. The main concern was harvest delays due to these factors, but the year is still young and there is plenty of time to get the crop in the bin. Bids today are hovering in the \$10.70/bu range delivered into plant after a negative \$20/MT basis. Some basis levels are slightly better depending on area, so producers may see a slight bump to that value. For those farmers in the east/central part of Saskatchewan, please keep in touch with your merchant as we have been seeing a few trades take place in the \$11.00/bu delivered range. This is a small program, but don't hesitate to call if you're interested and we can see if your product will work.

Mustard prices took a little jump this past week. Mustard harvest continues, and many growers have wrapped up in mustard growing areas. Yield reports vary widely. Because of lower yields and acres seeded, prices are starting to react positively. Brown and yellow mustard are leading the pack with bids now reaching 40 cents for winter movement in Jan/Feb. Oriental is sitting around 34 cents depending on variety. Quicker movement times are available at slightly reduced prices as well for those that need the bin space and cash flow. Call the office with any mustard offers on 2018 crop with Act of God. It might be best to secure seed supplies soon, as it could be a little tougher to procure this year. Call the office for details on that as well.

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