Rayglen Market Comments – 05/10/17

Over the week, the market on peas has seen little change. We have old crop yellow peas trading at $9.00/bu picked up and green peas seeing bids at $8.25/bu delivered plant. For new crop, we had a little bump in larger variety green peas and are seeing some bids at $8.50/bu delivered to the west side of the province. Yellow peas will be making up most of the pea acreage for 2017-2018 as we have discussed over the past weeks. However, per a STAT report, even if all the forecasted acres get planted we aren't going to have the same level of supply that we had this past crop year. This could open an opportunity for green peas to move back into a premium, that they historically have had over yellow peas.

Not much to report on canary seed. Many producers are in the field or planning on getting out there in short time to start seeding. Many other producers must harvest the remainder of last year's crop, but reports of combines hitting the field are rolling in. Let's just hope that the weather cooperates with us this season. Canary seed has not changed with prices flat due to an equilibrium of supply & demand. Things are and look to continue to be slow in the canary seed market. Bids today are at a 20 c/lb FOB the farm on old crop with similar values for new crop contracts that contain a full act of God. If interested in these values, please call your merchant at Rayglen. If these values wont quite get the canary off your farm, consider throwing out a firm target!

Flax prices are slightly softer this week for #1 quality with bids coming in at $12.50/bu delivered. Milling remains at $12.50 picked up in select areas. Going into the new crop year, supplies could be limited of better quality flax. Majority of supply that remains is lower quality due to black seeds. However, there are growing stockpiles of flax in China and until some of that supply is chewed through, prices are likely to remain steady. We saw new crop prices this week creep up to $12.50 picked up in good freight areas. Those prices are weaker today. Keep an eye out for those small bumps in the market, as they don't seem to last. The new crop prices will likely firm up further once 2017 acres are known with more certainty.

Lots of information on lentils this week from Statscan. The information that seems relative to influencing the markets is as follows; remaining quality left in the bins, lentils grown in Australia for 16/17 crop year and what they expect to grow in 2017/18 and India's forecast for importing product in 2017/18 crop year. The Statscan report suggests that most of the remaining stocks on farm are of X3 quality or lower, with limited number #2's in the bin. This should help prices to remain stable, but are unlikely to influence overseas buyers to purchase the remaining #2 product, as other countries can supply similar or better quality than Canada. The Australian crop looks like it is larger than first estimated, which will allow India to purchase lentils closer to home. Australia is also planning to repeat last year's production numbers on lentils. The last piece of information that may affect pricing is that India is projecting to import 200,000 MT less for 2017-18. This information suggests that markets will likely see little prices swings due to weather and buying demand. Short of a major disaster coming out of the three-major lentil producing countries, prices should remain stable. Markets this week have seen reds converge at $0.25 range for or old and/or new crop, while large green lentils have seen old crop in quiet trade, but buyers are starting to take interest in locking up new crop acres. There are a still a few buyers looking to purchase old crop small green lentils.

There are reports that chickpea seeding is referred to as having a "delayed start" this week. Historically, an average of 5% of the crop should be seeded by now and thus far there have been no reports of anything started. Of course, that does not mean there is nothing going in the ground yet, but it may be a reason for the steady firm tone in the market. Old crop bids for #2 CGC large size @ $0.65/lb FOB farm and down to $0.45/lb for #3. New crop #2 Large chickpeas bid at $0.51/lb FOB farm with discounts to over 10% damage. There is opportunity to lock in over 10 bus/ac with contracts including an AOG. Please call for details. Smaller caliber chickpeas are at a couple cents discount this week depending on origin area. Feed chickpea bids $0.35/lb FOB farm dependent on location.

The Bean market is still sideways this past week in terms of pricing in the local market. Feed market prices on Faba beans are floating around $5.50 to maybe $6.00/bu picked up in the yard depending on freight costs and variety, as the feeders are looking for a zero-tannin product. If you are growing fabas for the fall and have interest in a production contract, we may have a program that will suit you, call in for details. World stocks on soybean numbers were higher than expected today, which has brought down soybean futures and looks to have helped whittle away at canola prices as well. Current prices on soybeans in Sask are at around $10.50 to 11.00/bu picked up in the yard for tonnage in the bin while new crop prices are closer to $10.50/bu picked up.

Barley has had another good week in the markets with prices still strengthening. Buyers are looking for product to fill spots where there they thought spring thrashed product would. Spring harvest has taken a little longer than most had hoped, but combines are starting to roll now. We are seeing prices for low and high vomi relatively close with indications around $2.75-3.00/bu FOB Farm and maybe even a little better in certain areas. We also have good values on new crop feed barley if you are interested. Offers are also a great way to catch a good price, so call your merchant or the office for more details.

Mustard has stayed in the same trading range this week. The market is still not too concerned with the Statscan report of a major drop this year in acres down to 390,000. Old crop mustard is stable at $0.30 on yellow, $0.28 to $0.29 on oriental and as high as $0.36/lb in some trades on brown. New crop mustard remains a very profitable option when compared against other crops. New crop brown has triggered at 35 cents, on par with yellow while oriental remains at 33 cents/lb for full crop year movement. Brown mustard could continue to be strong going forward as that might be the one that possibly gets a little short. Call your merchant if you have more questions on new crop and old. Some certified seed may still be available if you require it late in the season, call the office if you find yourself in a pinch.

The feed wheat market has stayed flat since last week's slight bump in value for high vomitoxin wheat. Buyers remain in the $3.25-$3.50/bushel price point picked up in the yard depending on your location. This price is based on 58 lbs, max 14.5% moisture and max 10 parts per million vomitoxin. These values are still strong when compared to where the market has been over the past few months so if you're looking to clear some bin space be sure to give the office a call to get a firm price for your area. Feed wheat that is heavy, dry and max 1 part per million vomitoxin is still being traded over $4/bu picked up in the yard. We do still have an option in southeast Saskatchewan for old and new crop durum that makes a #1 US grade (300 falling number, 13.0 protein, 85 HVK) ranging from $7-$8/bu picked up in the yard.

The oats market has continued its sideways trend over the past week. Dry and heavy feed oats have maintained their $2.00/bu price picked up in the yard for June/July movement on the eastern side of Saskatchewan and into Manitoba. Milling oats remain in that $2.50-$2.75/bushel picked up in the yard. These prices depend on location and the movement is out to June/July. Not hearing much out there for new crop bids so this is a great opportunity to call into the office and use our offer system to hit your target price.

Canola markets had a rough day with all future months finishing down. Losses ranged from a low of $3.80/MT on the November to a high of $7.70/MT on the July. July ended just under $520/MT while November sits at $504/MT. Major down pressure today came from losses in soybean and soyoil markets as an expected large supply weighed on canola. A stronger Canadian dollar also didn't help canola's cause as it made gains against the USD. Basis levels remain attractive with some buyers now posting positive values. Depending on the company, values now range from $5/MT under to $5/MT over. Again, very good levels to get locked in. Please contact your broker with quantity and location of product for a firm bid picked up in your yard, but indications are coming in at $11.00/bu FOB in some areas. Also, don't forget about our target system!