

## **Rayglen Market Comments – 05/17/17**

Flax prices are a little softer this week with \$12.50/bu delivered trading on #1 quality. Milling quality flax is still holding at \$12.50/bu picked up in select areas. New crop prices are quiet this week, with little to no buyers interested. If there is any old crop yellow flax still on farm, \$15.00/bu picked up in most areas should work. We are seeing bids on new crop yellow flax in the \$13.25/bu delivered range. Flax volumes to the US were up slightly the last couple of months, but still well behind the average. Demand from Europe is trailing from last year, which leaves China as the dominant buyer. However, we are hearing of stockpiles of flax in China from recent Russia exports. For those with spring thrashed flax, we do have markets. Keep in touch with any moves in the market during this time of year with our email or text alerts.

Canary seed remains unchanged this week. Spot prices are sitting between 20 to 21 cents/lb FOB the farm with similar values on new crop contracts that contain an Act of God. Even if canary seed acres decrease, which is not likely to happen based on seeding intentions and estimates there should be enough carryover from last year to keep supplies comfortable. Mexico is a big buyer of canary seed, but they are hesitant to build inventories because of their weak Peso. Europe has also been an importer on of canary, but Canadian exports are down 40% as well. By the looks of it, canary seed is and will remain very inactive and will continue to be for the seeable future.

Soybean market continues to respond in large to planting progress and weather reports. Analysts recently adjusted their U.S. soybean planting forecast to 89.662 million acres, above the USDA's March figure of 89.5 million acres. Canadian acres are forecasted to be over 7 million this year. Estimates continue to rise for South American soybean production. Offsetting all these increased production statistics is the continued overwhelming Chinese soybean demand fueled by pork consumption. China's appetite for pork drove a 13 percent increase in their April soybean imports to feed the growing hog herd. Over half of U.S. soybean exports to date have been to China. A low Canadian dollar, tempered by rising U.S. Federal Reserve interest rates, continues to help our local bids. Although New crop average local bids are hovering around \$11.40/bu.

Feed wheat remains at a much stronger level for the high vomitoxin market with bids on that kind of product at \$3.50/bu for max 10 parts per million vomitoxin with a bushel weight of 58lbs and max 15% moisture. Any product that does not meet those specs can still find a home, but the bids may be at a slight discount. Of course, freight costs will affect those prices up or down depending on what area you are located, but the opportunities still look much better than they did this winter and its tough to say how long these prices will hang around. Milling markets are pretty quiet lately, but wheat bids are around \$6.60 delivered to plant in 1 or 2 areas and milling durum is floating in the high 7's or maybe \$8.00/bu delivered to plant for #1 quality. Touch base if you have interest as bids are indications and will vary area to area.

The mustard market and outlook remains steady. The market has shrugged off the reduced acres for the upcoming year and is still looking at abundant supplies and carry over this year. Ending stocks will still be at a multi year high, keeping a lid on prices for now. Brown mustard does continue to show strength because of the reduced acres over the previous year, and is out performing yellow and oriental by a good margin. 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 to 34 cents/lb for full crop year movement. If you are stuck for last minute certified seed, give us a call we may be able to help.

Feed barley has been fairly stable this week. We are still seeing good values due to a delay in spring harvest, caused by unfavorable weather conditions. We are seeing low voml and high voml at relatively the same value with indications around \$2.75-3.00/bu FOB farm. Depending on freight, you may see a bit better or a bit worse. Please call with location and appropriate specs for a firm bid in your yard. We are also seeing good opportunities on new crop feed barley if you are interested. Remember offers are a great way to market your grain and get the price you want if it is not out there at this time, call your merchant or the office for more details.

Chickpeas have not changed much from last week. We are still seeing a slow start to chickpea seeded acres, which may be a result in why our prices have not fluctuated from last week. Old crop bids are still sitting somewhere around \$0.65/lb on a #2 large size and down to \$0.45/lb for a #3. New crop chickpeas are still very attractive, with bids for a large size chickpea at \$0.51/lb on a #2 with discounts to over 10% damage. There is opportunity to lock in 10bu/acre maybe even a bit more at those levels, FOB farm with an act of God. Please call your merchant or the office for more details.

The oats market has maintained the steady sideways movement we have seen over the past few months. Dry and heavy feed oats are still seeing possibilities of \$2.00/bushel picked up in the yard depending on location for June/July movement. Not much trading has been taking place for milling oats, but indications are in the \$2.50-\$2.75/bushel range. That is picked up in the yard with movement for June/July. It seems as if this market will remain stagnant for the near future with new crop prices being hard to find. Be sure to call in and use our offer system to hit your targets on old and new crop.

Canola markets show signs of life over the past couple days, making small gains on nearby and further out months. July ended the day at \$526.40/MT with November at \$506.40/MT. Gains were \$1.30/MT and \$0.30/MT respectively. Most of these gains can be attributed to expected tight ending stocks and some life in the soy markets. Basis levels remain attractive at \$0.00 to plus \$5.00/MT for nearby shipment and roughly \$25/MT under for new crop. We do have markets for heated and/or off grade canola so please be sure to inquire. Please call with location, quantity and spec for a bid picked up in your yard.

There wasn't much change in lentils over the past week. Prices remain stable for the most part with the odd increase as buyers look to cover sales. New crop large green lentils are trading around \$0.38 for X2, \$0.37 for #2, and \$0.33 for X3, these prices are depending on the location of grain. Red lentils are still sitting at \$0.24 FOB for new crop number 2 with an Act of God. Old crop is sitting at \$0.26 FOB farm. Not many trades happening on green lentils in the past seven days. If you have some sitting in the bin and looking to market, firm offers are likely the easiest way to get them traded. Sellers seem to be bearish forward selling lentils at this point time, the feeling is that most guys are waiting to see what the crop looks like once it is out of the ground.

Yellow peas continue to climb in price as buyers seem to want to lock up the remaining product left in the bins. The common yellow pea price seems to be \$9.00 picked up on farm for May/June movement. Price seem to be strong since India is still purchasing old crop yellow. Chuck Penner stated this morning in Leftfield Special Crops update that peas have a 40% probability of hitting \$9.00 - \$9.50 and only a 10% chance that will go over \$9.50. I would have to agree with this information as buyers will at some point stop chasing old crop at wait to purchase new crop. The big question is does new crop continue to

rise to converge with old crop prices or do old crop start to fall to meet new crop prices. Green peas continue to be stuck at that \$8.00 picked up maybe a little better if the freight works. New crop yellow peas are still only having a few buyers looking at purchase contracts with an Act of God.