Rayglen Market Comments – 06/29/17

The canary market has not had a whole lot of action this week as there are a handful of buyers doing a little looking and the bids vary from 20 cents a pound picked up in the yard to 22 cents delivered to plant. The canary bids seem to be very hand to mouth with buyers lately as no one wants to stick their necks out too far on much of anything right now. New crop bids are few and far between but between 19 and 20 cents seems to be the range we have seen as of late with minimal trading at those levels.

This year chickpeas have been the most profitable crop that has been put in the ground. With new crop still sitting around $0.52 /lb for a #2 quality with discounts available to be locked in on lower grades, growers can lock in some very profitable numbers for the fall of 2017. Those new crop pricing opportunities also come with an act of God clause and are based off of picked up on farm numbers for September to December movement. As for old crop, it has been trading at $0.65 /lb for a #2 price as a FOB farm bid across the board on sizing with some max allotments on the 7mm and smaller sizes. Buyers are looking for all grades currently and high green count and damaged product is still very aggressively priced. If you still have some product left unpriced in the bin, we can figure out a price for you based on your quality and amount.

Just as expected, we are seeing a weakness in the yellow and green pea markets. This comes as no shock as we typically do see a seasonal weakness during this time of the year. As per a Stat report, this softening comes from the demand side. Buying interest has been fairly quiet due to short-term supplies being covered and buyers waiting out for new crop supplies to come in. Buyers also have access to the Black Sea pea markets right now, which they are able to buy at a discount as compared to Canadian peas. Looking at the peas that were seeded in Alberta and Saskatchewan, the growing conditions seem to be relatively normal. Pea prices are expected to continue this lull until harvest kicks in, hopefully then we will see a premium kick back in on green peas.

Looking at the weather there are some rain chances in the near forecast for Montana and North Dakota. However, for the wheat this may come too late for the crops to reap the benefits. According to the USDA reports, this could result in spring wheat demand being very strong. High-protein supplies are already low and with the weather affecting protein spring wheat is rallying. For durum, weather conditions are still affecting the crops however pricing seems to be more muted as compared to the spring wheat. Recently, there has been opportunities to move off quality durum at favorable values. We have been able to find aggressive bids just based off grading sheets.

Mustard has been fairly steady over the past week. Spot brown mustard still seems to lead the pack as buyers try and fill the gap between now and harvest. Very dry areas have presented concerns about yield recently, but prices remain steady. Carryover is still on the heavy side so we should watch the weather going forward, and monitor moisture in some areas across the province. This could have some effect going forward on prices. Attractive new crop mustard options are still available. Brown has triggered at 35 cents, on par with yellow, while oriental remains at 33 to 34 cents/lb FOB farm for full crop year movement. These are Act of God contracts and picked up in the yard. Spot mustard has crept up to 32 cents on yellow, 28 to 29 cents on oriental and as high as 38 cents has traded on brown. Call the office for a variety of different movement options for all new crop contracts and talk to your merchant.

News from India this week, is that India is going to extend the fumigation deadline to the end of December, this information provided by a couple of our buyers. Prices have not changed much since last week. A couple buyers are looking for old crop reds at $0.22 and $0.23 per lb FOB. New crop prices are around $0.20/lb for #2 with an Act of God. Large green lentils have not changed since last week. Have a few buyers showing interest in $0.35 for 1 and $0.33/lb for #2 with an Act of God.   At this time, most growers seem to be sitting on the sidelines on selling any more lentils. If you are looking to market old crop for bin space purposes time is running out, and new crop may be hard to sell until combines are in the field and buyers can analysis the quality of the 2017 crop.

Soybean market participants have all eyes on tomorrows June 30th USDA inventory and acreage reports. It is much anticipated that soybean area will be up at 89.9 million acres, compared to 89.5 million for the March prospective plantings report and 83.4 million in 2016. Typically, the acreage report overshadows the inventory report, however this time it may be important to also pay attention the ending stocks number. U.S. soybean exports have been stronger than expected due to compensation for South American soybean hoarding. The question is will the USDA project strong exports in the face of a large South American crop that will at some point come to market. Chicago soybean futures are up in advance of tomorrows report, however recent advances in our Canadian currency have had a negative effect on local basis. Local old crop bids are $10.75/bu FOB farm and new crop values are $10.20-$10.25/bu delivered.

Canola acres were pegged at 22.8 million with the release of today's Stats Can report; up 12% from last year. Any bearish sense from the acreage increase is being tempered by production concerns in some areas. Some industry analysts are claiming that it'll take a 19.5 million tonne crop to meet demand. Which would be roughly 1 million tonnes over the 16/17 production levels and no easy feat to achieve. Canola crush margins are approaching 2 year lows, coupled with an increasing Canadian dollar will likely have an taming effect on local basis. The July '17 futures have expired and all bids are now based off the Nov '17 which is at a $35 inverse to July '17. Old crop bids can be found in that +$35/MT and new crop in that -$25/MT range.

Flax prices have taken a hit this week with #1 quality falling to $11.25/bu delivered to plant, with milling quality you may still be able to find $12.20/bu picked up. Spring thrashed flax will be hard to move here soon with new crop coming off in a few months, so call your merchant or the office for prices and movement options. Bids are likely to remain soft for better quality flax until after harvest with the lack of export business happening right now. With Stats Can report out today with an 11.2% increase in flax acres this year, we are still at very few bids on new crop values.

The barley market this week has not changed all that much from last week. We are seeing prices for low vomi and high vomi barley practically the same; no longer a premium on low vomi product that was available through much of the winter. We are starting to see movement being pushed back from summer time and starting to go into the fall. There may still be some opportunity to move a few loads quicker if you throw up an offer and show the buyer what you have. Indications on prices are around $2.85-$3.00/bu FOB farm depending on freight. There are still buyers looking for new crop barley, so if you're interested call your merchant or the office for more details.

The oats market has remained stagnant over the past week which isn't necessarily a bad thing for heavy and dry feed oats. Higher quality feed oats have been trading around $2.15/bushel picked up in the yard for summer movement. If you have any spring thrashed oats in the bin we do have options but be sure to send in a sample so we can find a firm bid. The milling market is still around that $3.00/bushel area picked up in the yard. That is freight sensitive with buyers looking at firm offers and southeast Saskatchewan being the best freight area. Still no trading on new crop but if you have a value in mind give your merchant or the office a call to put out a firm target.