Rayglen Market Comments – July 12, 2017

The oats market has been holding steady in the last few weeks with a few buys still floating around at $3/bu picked up at the farm in the southeast part of Saskatchewan. This price of course gets weaker the farther you move away from the SE, but if you want a firm number at your bin touch base with your merchant. The feed oat market is poor right now as feed lot alley is only quoting about $2 delivered down there, which works out to only about $1.50/bu in many areas of the province picked up in the yard. There is opportunity to sell some spring thrashed product in those same fee values if the bushel weight is good.

Mustard bids are still holding strong this week for old crop and new crop values. Oriental is at 30 cents/lb on old crop and 33-34 on new crop picked up with an act of God. Yellow bids are at 32 cents on old crop and 34-35 on new crop as well. Brown is the strongest of the 3 mustards with new crop values at 35 cents/lb while the old crop leads the way on pricing with some trades going through recently at 38 cents a pound picked up in the yard. Mustard sales have been a little quiet despite strong prices lately due to the crop uncertainty right now as with the poor moisture in many mustard areas we get much closer to being certain about the crop, or lack there of.

Looking at the pea markets over this past week, there hasn't been much change on the pricing side. Late last week we also received more information on the fumigation issue with India that left the pea markets less optimistic. According to a StatCan report, pulses coming from Canada do not need to be fumigated if the bill of lading is dated on or before September 30th. Whereas, the United States is allowed until December 31st. However, the United States is going through a drought; Montana and North Dakota crops are under a lot of stress which could leave them less aggressive during the fall shipping period. If this is the case, it could open some room for Canada to ship in product.

There were quite a few changes in the feed barley market come late last week. Vomitoxin levels aren't such a major concern as they were earlier in the year. Based on pricing there is no longer a premium on a max 1 ppm vomi barley compared to a max 10 ppm vomi. There was also quite the big leap in pricing for feed barley. We are seeing values reach around $3.55/bu picked up on the farm. Movement seems to be pushed back to an August – September timeline but these values are a huge difference compared to the $3.00/bu values we were seeing a couple weeks back.

Flax continues to lose steam in the markets even though reports suggest less seeded acres than first stated this spring, less high quality carry over and dry weather conditions. Old crop No. 1 flax is trading around $11.00/bu FOB farm, milling quality you might see a $0.50/bu plus premium. There is not much happening with new crop pricing right now as buyers are basically at no bid. Yellow/golden flax is also very quiet as the markets is not looking for product. Suggestions from the Cecils and CSCA meetings in Vancouver this week are saying that there is just an over supply of flax being shipped out of the country as the major grain companies are long product as China has slowed down their imports.

Lentil trading is pretty slow at this time as everyone waits to see what is in store for this year's crop. Weather conditions does not seem to be a major concern for oversea buyers as they are more concerned about the quality. India is not happy with the quality of lentils they received this year and have suggested that which ever country can offer the best quality for the lowest price is who they will purchase from. If our quality is decent and product from other countries is of poorer quality buyers will show interested in our product. Market will likely remain quiet until combines hit the field, and major price improvement will likely be even further out as buyers may wait to see what Australia is going to produce.

The canary seed market has seen a slight bump up in prices over the past week. With seeded acres only down a little bit and carry in supply higher than last year, it seemed prices would stay relatively flat for the near future. With all that said, sound quality canary seed has gone up to $0.22/lb picked up in the yard with different delivery options that could make sense depending on location. This could be coming from the recent drought in certain parts of the prairies hurting yield potential but lots due to available sales hitting the market right now into Mexico. New crop has remained flat and is trading at $0.20/lb picked up in the yard with a full AOG and September-December movement.

Nothing has changed in the last week in the chickpea market, which is a good thing as they continue to be very well priced. Some areas in southwest Saskatchewan received varying levels of rain that will hopefully help along the chickpeas as things were getting very dry in the significant chickpea growing region. New crop prices remain as high as $0.52/lb picked up in the yard for a #2, with discounts for a #3, sample grade with max 5% green and damage, and a sample grade max 10% green and damage. This is based on September-December movement. Old crop we are still seeing interest for all different qualities. For a #2, prices have been as high as $0.65/lb picked up in the yard. As we near the new crop year that margin will need to diminish, so if you have any left in the bin be sure to call in and get a price for your area.

Feed wheat markets are looking strong again this week as buyers are wanting to lock in tonnage. With recent rise on the open wheat board market it has put pressure on the feed to follow as well. The feed market seems to be reacting to weather conditions as well as quality, with the dry conditions wheat should have better quality this year making feed in short demand. Feed wheat is now priced at $3.60/bu for heavy, dry, and max 10 ppm vomi, which is the same price as feed barley. Movement is for July/August. If you happen to have low vomi (under 1 ppm) there are significant premiums so call the office for more detail.

Soybean futures hit a four-month high Tuesday on worries about stressful crop weather in the Midwest and as traders squared positions one day ahead of monthly reports from the U.S. Department of Agriculture. August beans gained 4 ½ cents to $10.29 ¼ and November added 4 cents to $10.43 ¼. After Tuesday's gains the market of course did some correcting back down 8.4 cents Wednesday. Locally, the pricing works out to better than $11/bu picked up in the yard for any remaining product in the bin with a couple different buyers saying they are looking for firm offers on product to move quite quickly. More heat and dryness through the Midwest US will most likely keep support for the futures for the time being as we make our way through this cropping season.

Canola futures are down today $13/mt dropping to $514 mt again due to a few different problems, the climbing loonie and recent rains combining to lend a hand. Overall the oilseeds do not look spectacular this year in many parts of Saskatchewan due to the lack of moisture. Recent rains will help some areas, but as the temperatures climb back into the thirties (in some areas it didn't leave) for most of the province again those rains will be a distant memory. Farmer selling has predictably been very slow as crop uncertainty and no act of God on canola contracts leaves most sellers unwilling to lock product in for the fall. Many basis levels for the fall have yet to reflect the current situation as well which means lots are just sitting on their hands.