
MARKET WATCH

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Below are excerpts from my weekly Market Watch radio spots.
Market Watch is broadcast on over two dozen radio stations across Western Canada.

Need another reason to use grain options and futures this year? Flooding! – March 4, 2019

Whether it's drought, flooding or an early frost, weather uncertainty can significantly impact crop yields. And since you have to commit your grain when entering a physical deferred delivery contract, cash markets not always the best choice for marketing your grain.

Unfortunately, here in Manitoba, we already have flood warnings this spring, based the provincial infrastructure department's first official flood outlook for 2019.

They said that even with normal conditions, levels on the Red River south of the floodway could peak near 2011 levels when almost three million acres of farmland went uncultivated due to flooding of the Red, Assiniboine and other rivers. That's about 25% of the twelve million cropland acres in Manitoba.

Flooding on the Red River alone in 2009 affected over 200,000 acres of farmland and shut major highways connecting Winnipeg to Grand Forks in North Dakota.

Bottom line, weather is another reason to have access to marketing outlets over and above just the physical cash markets. Separating your pricing decisions and your delivery decisions gives you more marketing flexibility and commodity options & futures allow you to do exactly that. To find out how, connect with me at 844-982-0011 or commodity-options.ca.

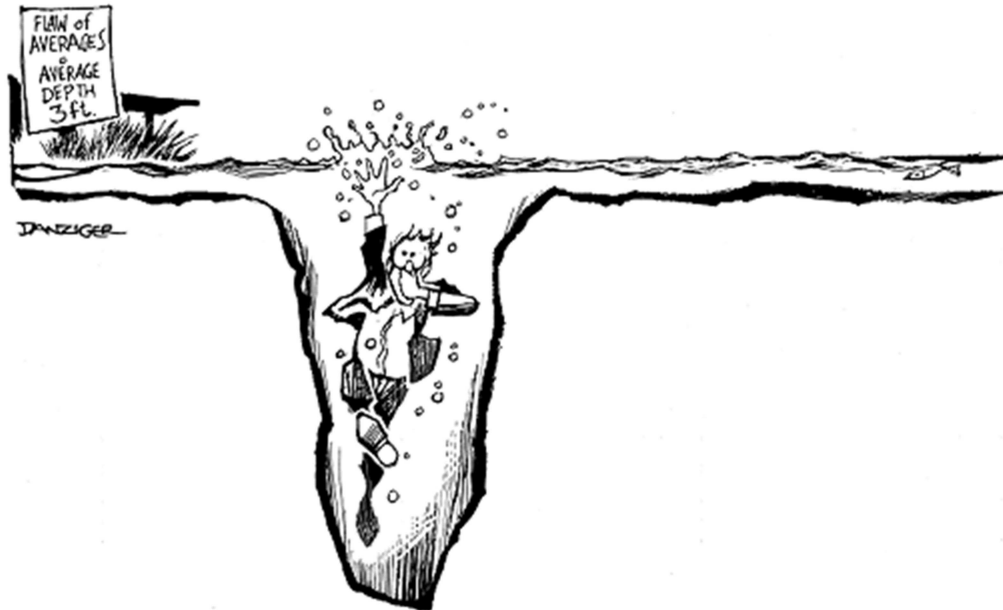
Drought Watch – March 11, 2019

Last week we looked at flooding in Manitoba. This week, it's dryness in parts of Alberta and Saskatchewan.

It just like the story of the guy who's got his head in the freezer and his feet in the oven; on average, the temperature is just fine. While we have flooding warnings in Manitoba and severe drought in parts of the Alberta and Saskatchewan, the precipitation on average across the Prairies should be ok.

The Ag Canada Drought Monitor show larges section of Abnormally Dry and Moderate Drought in south west Manitoba, southern Saskatchewan and throughout Alberta as well as some severe drought patches in Northern Albert and near Regina.

Flaw of Averages – Average Depth 3 Feet



While Ag Canada said "despite recent improvements, moisture deficits persisted in parts of the Prairie Region, and continued precipitation is required to replenish soil moisture in preparation for the spring."

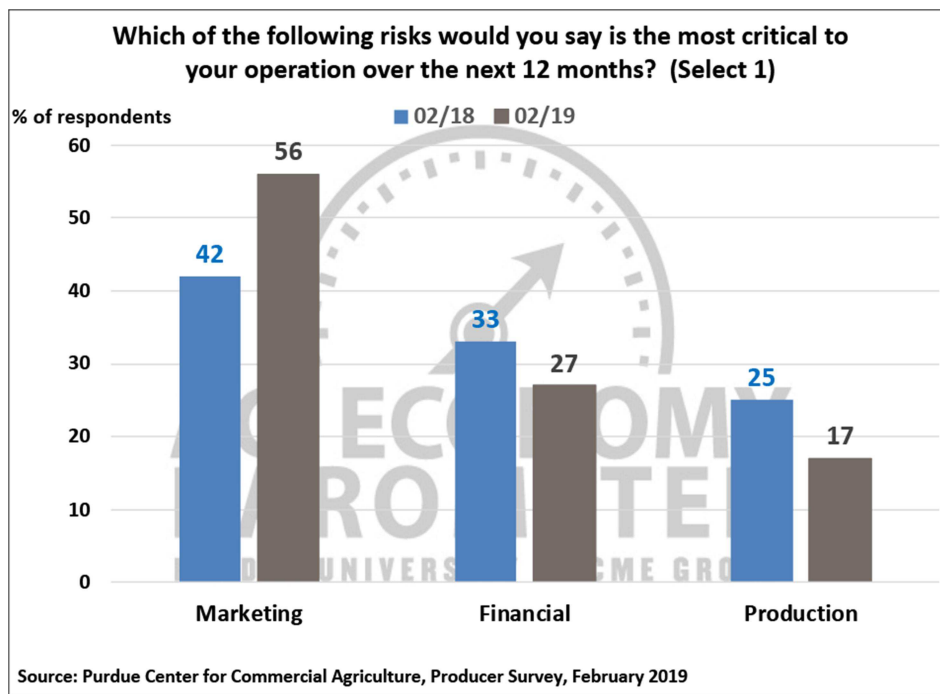
Bottom line, while there's still a lot of weather and a whole growing season ahead of us, options & futures provide more flexibility in your crop marketing by helping you separate your pricing decisions and your delivery decisions. To find out how, connect with me at 844-982-0011 or commodity-options.ca.

"Farmer Sentiment Weakens Amid Increasing Marketing Risk Concerns" – March 18, 2019

Which risk is most critical to your farm operation over the next twelve months?

The recent monthly Purdue University and CME Group futures exchange Ag Economy Barometer report ran the headline "Farmer Sentiment Weakens Amid Increasing Marketing Risk Concerns". It stated that "ag producer sentiment declined in February as farmers are less optimistic about current conditions and the commodity price outlook"

Farmers "remain concerned about marketing and price risk in agricultural markets. When asked if marketing, financial or production risk was the most critical to their farm operation, respondents overwhelmingly said marketing risk was the most critical at 56 %, followed by financial (27 %) and production risks (17 %)." Compared to last year, farmers are more concerned about marketing risk and less concerned about financial and production risk.



Bottom line, I often see marketing as a top concern in farm surveys and when speaking at grower conferences across the Prairies. Having options and futures hedging programs as part of your overall marketing plan can help alleviate some of those concerns. To find out how, connect with me at 844-982-0011 or commodity-options.ca.

The Corn Agronomy Project – March 25, 2019

The results of five years of corn agronomy research show it to be among the most profitable crops. The Corn Agronomy Project by the University of Manitoba showed that corn is one of Manitoba's most profitable crops but it still lags other options in terms of planted acres at over 400,000 acres. Meanwhile, canola covered almost 3.5 million acres, spring wheat was seeded to about 3 million acres and soybeans were planted on just under of 2 million acres.

When compared to other major grain crops, corn on average provides net returns greater than all others. In the study, rotating corn with soybeans gets farmers the best results. When averaged over five years, the corn/soybean rotation netted \$227 per acre. For comparison, a wheat/canola rotation (the most common in the province) nets only \$177.

Bottom line, not only does corn provide good rotation and economic benefits, it is also a very good crop to market. Given corn options & futures are extremely liquid, they are great for developing flexible and effective hedging strategies. To find out how, connect with me at 844-982-0011 or commodity-options.ca.

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