
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.**

Hard Red Winter Wheat – February 5, 2018

There's been a lot of news around the winter wheat crop so let's look at some numbers and what marketing steps you can take.

First of all, plantings for the 2018 winter wheat crop in the US were estimated at 32.6 million acres representing the smallest seeded area since 1909. In Canada, it's the lower since 2000 at only 335,000 acres, almost 80% from the high in 2007.

Second, with the cold and lack of snow, there is concern of winter kill across the Canadian prairies and the US. So, based on the recent monthly USDA crop progress and conditions report for Kansas, where a quarter of winter wheat is grown, 10% was rated very poor, 34 poor, 42% fair with only 13% good & 1% excellent. As a result, Kansas City hard red winter wheat futures are up almost 50 cents, or 10%, from recent lows.

Our CPS wheat is often compared to and priced off Kansas futures, so with the correlation between them over the past two years at 80%, they offer another hedging outlet, especially when prices make dramatic moves.

Bottom line, Kansas wheat options and futures provide another strategy to manage your farm revenues.

Hard Red Spring Wheat – February 12, 2018

Last week I focused on hard red winter Kansas City wheat futures. This week, I'll look at a few things surrounding hard red spring wheat.

The lack of snow cover is an issue for hard red winter wheat. Many are also concerned about spring wheat given the existing drought condition across southern Alberta & Saskatchewan and the growing regions in the US.

However, the Commodity Weather Group says, "There is rarely any good correlation (in Canada or elsewhere) between precipitation in the fall-winter and the following season. Of seven other years since 1979 that were as dry or drier from November to January on the Prairies as a whole, only three were dry on a widespread basis in the spring as well, two of which were much drier than the current case over the winter. None really stood out as more than regionally dry in the summer".

Bottom line, late winter snow and spring rain or snow are the most important factors for soil moisture recharge. So keep an eye on weather and Minneapolis wheat futures as we head into the spring.

Technology: Making our lives easier – February 26, 2018

Technology has made our lives easier. But did you know that it can also bring you more opportunities to sell your grain?

Traditionally, grain moves off the farm to the closest terminal whereby other grain buyers like processors, crushers and niche market players often get overlooked. In the past it's been very time consuming monitoring the pricing for all the different opportunities. Ag Exchange Group's CXN360 online commodity exchange is changing that.

Using a smartphone, growers can receive bids and make offers to multiple buyers. The transparent service lets producers know who they are dealing with while allowing them to choose quickly and efficiently.

According to CEO Lyle Ehrmantraut: "Our goal is to help buyers and farmers interact. Canada can lead the world as far as efficiency, knowledge and grain quality. That can lead to greater export opportunities for Canada and more opportunities for growers."

Bottom line, a transparent physical grain exchange similar to the commodity futures & options exchanges farmers already use to hedge their crop, will make grain marketing efforts even more effective.

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