



Direct Connections

January 11, 2005

Helping you stay informed!

This Week : Seed Outlook for Southern Alberta !

The adverse conditions last fall, as well as current market conditions, will have implications for the amount of quality seed that may be available in the coming year.

Good quality seed and proper seeding rates can save you money on your chemical bill.

If you plan to plant flax, Snowbird, Superb, peas or any oats this spring and want good quality certified seed, it would be a good idea to do something sooner rather than later.



Dave's Corner Having good seed is the foundation of having a good crop. While the extreme southern areas of Alberta were fortunate to get viable seed off, most other areas were not so lucky. The adverse conditions last fall, as well as current market conditions, will have implications for the amount of quality seed that may be available in the coming year.

Sprouting, mildew, frost and high moisture conditions that plagued northern Alberta, Saskatchewan, and Manitoba have reduced the amount of viable seed available in those areas. In Saskatchewan, only 6% of the wheat crop graded a 1RS. In a normal year, 60% grades a 1RS. This year, in many areas, 60% of the wheat crop was feed and the quantity of viable seed will be much reduced.

Keeping this in mind, it may be worthwhile to secure your certified seed requirements early in the coming year. I called a few growers this past week to get a feel for the current situation in our area.

Ryan Mercer, of Mercer Seeds in Lethbridge, said some of the main cereals they will be selling include : Superb, Snowbird, Abby, and Avonlea Durum. Ryan thought they may be short of Superb and Abby, and they were fielding calls from other areas wanting these varieties. He was also concerned about Snowbird, the hard white wheat, saying there may be a shortage of good seed (seed from southern Alberta). Once local supplies are gone, sometimes seed is brought in from other areas which may not be as good of quality this year.



Dennis Benci, of Benci Seeds in Carmangay, has Superb available once again as well as a new variety called Harvest. Harvest is an early maturing variety that has good sprouting resistance, yields similar to Barrie, and is about 7 days earlier than checks. He will also have Harrington, Metcalfe and Copeland in good supply for malt varieties. When asked if he was concerned about any shortages, he was more concerned about flax and peas. While Dennis does have some Flanders and McGregor flax seed left, he wasn't sure how long it might last. It also looks as though there might be strong demand for pea varieties this year due to the high fertilizer prices.

Ron Markert, of Markert Seeds in Vulcan, is selling Intrepid, Superb red spring, Snowbird HWW and Crystal CPS Wheat. He says the Superb is already sold out, but they should have lots of Snowbird. They have a wide range of malt varieties including Harrington, Metcalfe, Copeland, Merrit and a new one called Newdale. Ron thought some barley varieties may be on the short side this year but not as much as the oats. If you want to plant oats, it may be hard to find seed. He doesn't have any at this point.

If you want to clean some of your own seed, now is also a good time to start getting that job done. I called a few seed cleaning plants this past week and they said things were a little slow perhaps due to the cold weather. As you all know, the closer we get to spring the harder it is to get this job done.

Well that's a brief recap of some of the local seed situations here in our local area. From what I found out, if you plan to plant flax, Snowbird, Superb, peas or any oats this spring and want good quality certified seed, it would be a good idea to do something sooner rather than later. Supplies are there for the most part, but there is reason to believe there could be a strong demand for southern Alberta seed from outside the area this year. Waiting to see how the markets shape up before you secure your seed could leave you short. See you next week!

Elevator Report

(This report is believed to be accurate, but may vary by location. You should always verify space and movement with each company.)

AGPRO - Vulcan –

Taking Navigator Durum in Vulcan. Taking 2 & 3 RS at Troche and Crossfield.

Pioneer

Carsland –Room for 1, 2, RS.

Vulcan - Taking 1 and 2RS.

Cargill - ATL, Leth. -

Taking Red Spring also some Hard White Spring wheat this week.

Louis Dreyfus , Lyalt a

Taking Canola, 1, 2, & 3 RS and CPS this week . May start some Durum next week .

P&H, Lethbridge

Taking 1&2 Durum and 1&2 RS. Also want Malt for export shipping - Harrington & Metcalfe .

Specs: 84 plump , 10 chit, 13 protein.

LA Grain – Lethbridge

Taking 1,2,3 RS and Durum .

Also 1 & 2 RW. Also taking Lentils and Chickpeas .

Agricore

Blackie taking 1&2 RS.

Calgary - 3RS and CPS Red

Carsland - 3RS

News Bits

NEW CASE OF BSE DETECTED Cow born after feed ban -January 11, 2005 - The Canadian Food Inspection Agency (CFIA) today announced another (BSE) case in an Alberta beef cow just under seven years of age. The CFIA has control of the carcass. No part of the animal has entered the human food or animal feed systems. The infected animal was born in March 1998, and the farm of origin has been confirmed. Based on preliminary information, feed produced prior to the introduction of the 1997 feed ban in Canada remains the most likely source of infection in this animal.

Reacting to the Canadian government's announcement today that another cow had tested positive for BSE, the National Cattlemen's Beef Association, the nation's largest cattle group, demanded USDA and the Food and Drug Administration investigate Canada's compliance with its feed rules to stop mad cow disease. NCBA officials said only after that study has been completed will they decide how they view the government's plans to reopen the U.S. border to live cattle imports March 7. USDA Animal and Plant Health Inspection Service Administrator, Ron DeHaven, said his agency would send a team to Canada to study its feed-rule compliance and the USDA would then decide what steps to take on the rule. WASHINGTON (DTN)

Sign-up for 80% Early Payment Option terminated - The termination is due to the recommendation for an increase to the initial prices for wheat, durum and select barley, which will limit the additional cash flow from this level of EPO. Farmers may wish to consider signing an EPO at a higher level (90 or 100 per cent) that will still provide additional cash flow about the new initial payment values.

Flax prices likely to drop next year One of the few crops enjoying buoyant prices is flaxseed. Flax prices of \$12 and even \$13 a bushel are being reported. Prices are approaching historical highs because the supply of flax is extremely tight. Speaking to flax growers Monday at Crop Production Week in Saskatoon, market analyst Mike Jubinville had some advice for producers lucky enough to still have flax in their bins. Don't get too greedy. Jubinville believes there could yet be another move upwards in flax prices, but he also warns that when flax prices start coming down, they are likely to drop quickly. So what about the upcoming growing season? Planting seed for flax may be in tight supply, but Jubinville is expecting a large acreage in Western Canada. Prices of around \$7.75 a bushel can be locked in for fall delivery. Jubinville is advising producers to start considering new crop prices if opportunities above \$8 become available. That's a far cry from current price levels, but by next fall \$8 a bushel could look pretty good if flax production rebounds this year. Posted by Kevin Hursh

Notices

Contract calls for 1 & 2 CPSR 25%, and 1 & 2CW SWS and 3 CW SWS (Series A) 25%. Contract terminations for the same will be Feb. 11th.

Deadline for calf set-aside program is Jan 15. For more information or to apply visit (www.agric.gov.ab.ca) or call (780)433-9167 (toll free by first calling 310-0000).

Alberta Canola Producers Commission Region 12 meeting will be held Friday, Jan. 14 at the Medicine Hat Lodge from 10 am – 12 pm.

Winter Wheat Annual Meeting, January 19 at the Lethbridge Lodge, 3pm. Contact Elizabeth Tokariuk at 328-0059.

Plan for Profit Seminar, January 19, Erickson's Family Restaurant, Lethbridge. Discover how to examine your own financial picture. Contact FCC or register by calling 1-888-332-3301 or visiting (www.agrisuccess.ca). cost \$100. -\$150.

LOCAL BIDS :

Del. Leth. MT Bush.
Fd Wht - \$102 \$2.78
Barley - \$110 \$2.40

Fertilizer *This wk Last wk*
46-0-0 \$400. \$400.
11-52 \$400. \$400.

Natural Gas:
NYMEX Mon. Last wk
Jan. 05 6.213 6.213

Fuel: *This wk Last*
Purple diese l 50.9 48.5
Purple gas 58.9 57.4

Crude :
NYMEX Mon. Last wk
Feb. 05 45.16 42.37

Contact Information: David
 Layton – Direct-AG
 Services, Box 1024
 Glenwood, AB. T0K 2R0.
 Phone 626-3457 or toll free
 1- 888-626-3443

Weekly Markets

January 10 prices

WCE Barley

Monday close	THIS WEEK	LAST WEEK	CHANGE	LAST YEAR
Mar 05	113.90	113.40	0.50	131.00
May 05	116.00	116.00	0.00	133.90
Jul 05	118.00	117.50	0.50	136.00
Oct 05	121.90	121.40	0.50	136.50
Dec 05	125.40	125.50	(0.10)	138.00

WCE Feed Wheat

Monday close	THIS WEEK	LAST WEEK	CHANGE	LAST YEAR
Mar 05	78.00	79.50	(1.50)	133.50
May 05	83.50	85.00	(1.50)	137.00
Jul 05	88.50	88.00	0.50	139.00
Oct 05	96.00	95.00	1.00	136.10
Dec 05	99.50	101.00	(1.50)	137.00

WCE Canola

Monday close	THIS WEEK	LAST WEEK	CHANGE	LAST YEAR
Jan 05	271.00	267.50	3.50	359.00
Mar 05	274.50	272.60	1.90	366.30
May 05	276.90	276.00	0.90	371.00
July 05	280.50	279.10	1.40	375.90

Currency and Cattle

Monday close		THIS WEEK	LAST WEEK	CHANGE
Live cattle	Feb 05	90.550	88.400	2.150
	Apr 05	88.975	86.275	2.700
Feeder cattle	Jan 05	104.825	102.350	2.475
	Mar 05	101.350	96.550	4.800
Cdn \$	Mar 05	81.84	82.82	(0.98)
Aussie \$	Mar 05	75.45	77.52	(2.07)

Market Report

Canola – Canola followed soy lower early last week as the market wondered where new business might come from. Chinese demand is diminishing as it typically does this time of year. The South American crop is looming large on the horizon and usually starts flooding the market by March. This is limiting the window of opportunity to really move some of this year’s huge crop. Sales opportunities are passing us by. Last week a rumored sale to Pakistan was lost to Australia. The cold weather and low prices (about \$2.00 a bushel lower than last year) are keeping deliveries at a standstill. Elevators and terminal stocks have diminished significantly because of this. Traders are afraid of making sales and not being able to source product. This is why we are seeing some good basis levels as noted in the elevator report. Taking advantage of some of these good basis levels may be a good strategy. When everyone starts pulling canola out of the bin later, basis will widen out. If you pick a later delivery window, you then have 90 days to price your canola or you can buy it back on paper and still wait for a possible weather rally to occur.

Feed Grains – Nothing much has changed in this market as ample supplies of feed grain are keeping a lid on prices. Everyone is waiting for the USDA report due out Wednesday. They are not anticipating this will help the market. Storm forecasts and cold weather may provide some very limited opportunities if you are able to deliver in the adverse conditions.

Cattle Markets – Lethbridge area auction market price ranges for the week ending January 7, 2005.

	Steers	Heifers
300-400lbs	115.00-132.00	105.00-124.50
400-500lbs	110.00-126.50	100.00-121.50
500-600lbs	105.00-125.50	98.00-116.50
600-700lbs	95.00-115.00	88.00-110.50
700-800lbs	92.00-106.50	85.00-105.50
800-900lbs	81.00-103.50	81.00-102.50
D1-D2 Cows	22.00-25.00	D3-D4 Cows 0.00-22.00
Good quality bred cows	1000.00-1250.00	
Good quality bred heifers	1050.00-1300.00	