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THE WESTERN PRODUCER

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MARKETS



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FEED | MARKETING

Sell feedgrain for cash flow: analyst

Barley prices strong | Save canola for later sales

BY ED WHITE
WINNIPEG BUREAU

The prairie feedgrain market is glutted, but prices are high.

That's a rare anomaly and a chance for farmers who need money to sell feed crops and hang on to non-feed crops with better price outlooks, say some advisers.

"If you want to generate cash and hold onto other products longer, we're saying sell 50 percent (of your feedgrain crops) and hold onto the rest long term," said Derek Squair, president of Agri-Trend Marketing.

"We're saying hold on to most everything right now. Feedgrains are definitely the thing to sell. Hang on to

"Last time we had a crop of feed wheat like we have out in Alberta, the price dropped about \$2 a bushel in about two months. But today, it's actually strengthening."

Little export feedgrains are moving, so the high-priced export market is mostly just on paper, existing in Canadian Wheat Board Pool Return Outlook prices.

That's encouraging farmers to hold back on dumping their larger-than-expected feed wheat stocks and to re-appraise the high quality feed barley that might make malting barley quality.

Squair said he recommends farmers move feed wheat first, feed peas second and feed barley last among

Saudi Arabia, buyers have access to good supplies of feed wheat and other feeds.

"This has kind of capped somewhat the rise in world barley prices," said Townsend.

Malting barley price increases overseas also have moderated because buyers seem to be scrimping and getting creative with their options, Townsend said.

"Big importers have seemed to manage without the overall quantity of barley but also by substituting lesser quality barley — particularly from sources like Australia — into their market," said Townsend.

He said the barley harvest in South Australia, now underway, will be



MIXED NEWS IN LATEST PRO

The price outlook for most wheat types fell in the latest Pool Return Outlook from the Canadian Wheat Board, but durum is up. Wheat generally fell \$1 to \$4 per tonne. The exceptions are No. 1 CW red spring 14.5 protein, No. 1 CW soft white spring and feed wheat, which all increased slightly from October. Durum rose by \$1 to \$6. Malting barley fell \$7. Pool A feed barley was steady, while Pool B fell by \$6.

Pool return outlook 2010-11, \$/tonne basis Vancouver or St. Lawrence

WHEAT	Oct.	Nov.
	No. 1 CWRS 14.5	328
No. 1 CWRS 13.5	308	306
No. 1 CWRS 12.5	293	292
No. 1 CWRS 11.5	278	277
No. 2 CWRS 13.5	296	292
No. 2 CWRS 11.5	266	265
No. 3 CWRS 13.0	275	271
No. 3 CWRS	250	247
No. 4 CWRS	244	240
No. 1 CWHWS 13.5	308	306



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