
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.

“Everyone has a plan until they get punched in the mouth.”
– Mike Tyson, former heavy weight boxing champion

Don't hold your breath: Part 2 – May 6, 2019

Several weeks ago, I cautioned against being optimistic about a quick Canada-China commodity trade resolution. Unfortunately, in fact, it's just gotten worse.

First, China had issues with our canola. Then our soybeans and peas faced obstacles making their way to China. Now Canadian pork is being held up because of paperwork and labelling issues. What used to take days to get through is now taking weeks.

Could our wheat be next? How about barley? Or beef? Never say never since this issue will likely continue a lot longer than you expect and a lot of unexpected things can happen the longer it drags on...

While there's nothing wrong with following prices closely, don't try to pick a bottom in this market environment, it could be an exercise in futility. Instead, be prepared to add to new crop hedges when the opportunity presents itself.

Bottom line, given the heavy market conditions, take advantage of any price rally and options & futures can help in this process. To find out how, connect with me at 844-982-0011 or commodity-options.ca.

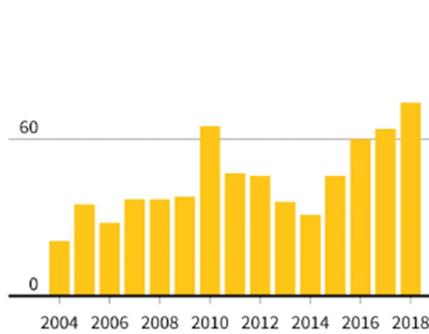
US Farm Bankruptcies Increase – May 13, 2019

Chapter 12 in the US is a type of bankruptcy protection available to small and medium sized family farmers to restructure their finances and avoid liquidation or foreclosure.

Based on U.S. Court figures covering 16 states across the Midwest, these farm bankruptcies rose to their highest levels in at least 15 years to 238 filings in total. While 238 is not a lot of farms for a country the size of the US with around a couple million of grain farmers, rather it's just another trend showing that it has been a challenging couple of years in agriculture. (SEE CHARTS: Source: Reuters Graphics)

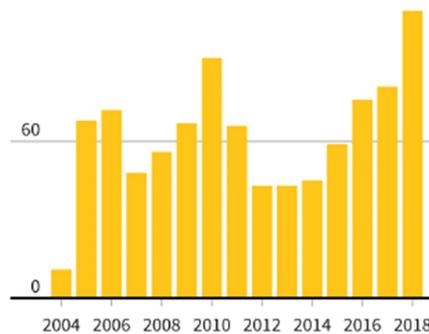
Covers the following U.S. states: Illinois, Indiana and Wisconsin

120 filings



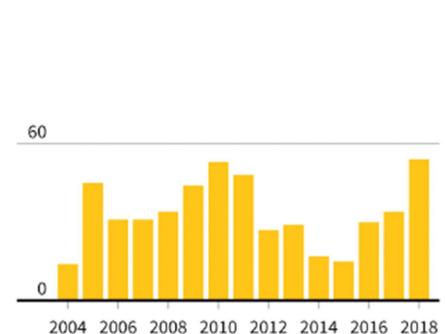
Arkansas, Iowa, Minnesota, Missouri, North Dakota, Nebraska and South Dakota

120 filings



Colorado, Kansas, New Mexico, Oklahoma, Utah and Wyoming

120 filings



Source: U.S. Courts

I haven't seen similar numbers here in Canada and most reports and research suggest that conditions are better across our Prairies. However, farmers always finding costs savings, yield improvements and marketing opportunities.

Bottom line, all these little improvements add up including using options and futures as part of your overall farm revenue management plan to help add a few more dollars per acre to your profit. To find out how, connect with me at 844-982-0011 or commodity-options.ca.

Are we at the beginning of a seasonal weather driven grain price rally? **– May 22, 2019**

We could be at the start of a seasonal grain price rally which often lasts throughout late spring and in to early summer. In the past few years, the fireworks in the grain market have often coincided with the fireworks of Canada Day and July 4th long weekend.

So far, soybeans futures are up US\$0.60/bushel from their recent lows to their recent highs, canola was up around C\$20/tonne, wheat about US\$0.50 and corn US\$0.50 as well. We'll see if this strength lasts since we are still 10% to 15% away from the previous high levels in all grains, except for corn which has come right back to the top end of the range of the past year.

Weather rallies have interesting life cycles so be prepared to hedge at higher levels especially given the continuation of the longer-term down trends we've experienced over the past several months.

Bottom line, weather driven price rallies often get more attention than they deserve and perhaps the wrong type of attention as well so if want to know when grain prices historically make their high for the year, connect with me at 844-982-0011 or commodity-options.ca.

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