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

Farming Big Data in the Agriculture Markets: Part 2 – February 6, 2017

Do agriculture markets trend? Does seasonality exist? Do computer models and chart indicators work? Let's look at some numbers…

After crunching 30 years of farm commodity price data, we see some interesting results.

Unfortunately, consistent strong trends just don't happen as often as we'd like. It's not that trends don't exist; it's just that only a few longer term trends ever occur and most shorter-term patterns are highly random. Overall, trends alone aren't enough to base a farm marketing program on.

How about seasonality? Same thing, there tend to be few consistent seasonal price patterns that are strong enough to bet your farm revenue on.

What about computer trading systems? Well, after testing a wide range of computer trading models, the conclusions are that the performance is marginal, inconsistent and implementation is not practical for a farm hedging program.

Bottom line, so if all these approaches don't yield any strong consistent marketing results, where do you go from here? This will be the topic in the third and final part of this series next week. For a copy of my special report Farming Big Data, connect with me at 844-982-0011 or commodity-options.ca.

Farming Big Data in the Agriculture Markets: Part 3 – February 13, 2017

In the third and final part of a three week series, we'll explore how commodity options based strategies can help you get more out of your marketing.

As mentioned a couple of weeks ago, only 5-10% of Canadian producers use tools like options & futures to protect grain & livestock revenues. Based on hundreds of discussions with farmers, there are three main reasons why. The good news is that option based strategies using puts & calls offer a solution the three main issues.

1) unlike deferred delivery contracts, there are no production commitments or delivery risk associated with options
2) with options, you are not locking-in prices so you get the downside protection you need and the upside potential you want
3) finally, options require minimal capital needed and minimize futures contract margin requirements

Your edge is your physical commodity position, flexible option strategies and the fact that you don't always have to be in the market or just use directional future or delivery contracts. Sometimes the best decision is to be patient and not do anything.

Bottom line, option-based marketing strategies give you the downside price protection you need, with the upside potential you want for your grain & livestock revenues.

Canola: A Trip Around the World – February 27, 2017

With some old crop canola still in the bin or stuck in the field, and new crop pricing decisions already on the table, this week we travel around the world to better understand our canola prices right here at home.

In the past twelve months, global vegetable oil & oil seed commodities in US dollar terms are up quite strongly:

- French rapeseed futures rose by 10%
- Malaysian palm oil futures jumped 25%
- US soybean oil futures were flat but soybeans increased 16%
- and finally, canola futures are up 10%.

All these prices show recent strength and are supportive of canola; furthermore, current patterns and trends still show prices pointing higher.

On the flip side, however, canola futures are trading near three-year highs and we shouldn't ignore this fact. The last several times canola futures have reached these levels, prices have subsequently dropped on average about 20%.

Bottom line, with uncertainty and delivery risk associated with old crop canola and new crop harvest still many months away, option-based hedging strategies are an ideal marketing tool. They give you the downside price protection you need and the upside potential you want without having to lock-in prices or commit any grain for delivery.