

## Idaho Grain Market Report, January 7, 2010

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 6, 2010. Barley prices in \$/Cwt. and wheat prices in \$/bu.

Selected Locations	Barley (Cwt.)		Wheat (bu.)		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$6.50 (6-R) \$6.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.50	\$4.64	\$5.58
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.43	\$4.60	\$5.71
Blackfoot / Pocatello	\$5.83	(2-R) \$6.50 (6-R) \$6.50	\$4.35	\$4.15	\$5.55
Grace / Soda Springs	\$5.91-\$6.00	(2-R) NQ (6-R) NQ	\$4.35	\$4.43-\$4.58	\$5.55-\$5.68
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$4.20	\$4.50	\$5.61
Twin Falls / Eden / Buhl	\$5.50-\$7.50	(2-R) NQ (6-R) NQ	\$3.80-\$4.50	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.07	NQ	NQ
Nez Perce / Craigmont	\$5.35	(2-R) \$5.35 (6-R) \$5.35	\$4.55	\$5.30	\$6.41
Lewiston	\$5.80	(2-R) \$5.80 (6-R) \$5.80	\$4.74	\$5.49	\$6.60
Moscow / Genesee	\$5.40-\$6.75	(2-R) \$5.40 (6-R) \$5.40	\$4.51-\$5.15	\$5.26-\$5.99	\$6.37-\$7.06

**Trading Prices at Selected Terminal Markets, cash prices FOB**

	Barley (Cwt.)		Wheat (bu.)			
	#2 Feed 46 lbs. -- unit trains barge	Single rail cars- domestic	Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	Jan \$4.90-\$5.15 Aug NC \$4.85-\$5.20	Aug NC \$6.16-\$6.26	Aug NC \$6.87
Los Angeles	\$8.90	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.90	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.00	NQ	NQ	\$4.65	\$4.72	\$5.87
Great Falls	\$5.00-\$5.70	NQ	\$7.00	NQ	\$4.23	\$4.70-\$4.93
Minneapolis	\$5.42	NQ	\$7.29	NQ	\$5.29 ½ (12%)	\$7.11 ½ - \$7.36 ½

**Market trends this week**

**BARLEY** – USDA reported that there were no barley export sales last week. Barley export shipments last week totaled 2.4 TMT, for Canada and Mexico.

**WHEAT** – U.S. wheat export sales last week were well below trade expectations and a marketing year low at 93.4 TMT, down 75% from the previous week and 68% from the prior 4-week average. Export inspections last week totaled 244.2 TMT, down 17% from the previous week and 23% from the prior 4-week average. **Cumulative wheat export sales now stand at 67.4% of the USDA's projection for MY 2009/10, compared to a five year average pace 76.1%.**

**Wheat Competitor/Buyer News** – Canadian Wheat Board is projecting Canadian wheat exports will be 2 MMT higher than earlier projections at 13.5 MMT, due to a good crop. Morocco announced two large wheat import tenders this week for 350 TMT, with one specifying U.S. wheat origin.

**CORN** – Export sales were below trade expectations last week at 364.7 TMT, down 53% from the previous week and 67% from the prior 4-week average. Export shipments last week totaled 798.1 TMT, down 8% from the previous week but

up 16% from the prior 4-week average. **Cumulative corn export sales now stand at 48.7% of the USDA's export projection for MY 2009/10, compared to a five year average pace of 52.6%.**

**Corn Competitor/Buyer News** – The Buenos Aires Grain Exchange raised their Argentine corn production estimate this week to 16.5 MMT from 15.8 MMT last week. South Korea purchased 55 TMT of corn this week, while Taiwan passed on its corn import tender. Egypt also was tendering for 75 TMT of corn this week.

**Futures market activity this week**

**WHEAT** – Wheat whip-sawed back and forth this week, mainly following the dollar and fund investment moves. Wheat began the week sharply higher on support from an arctic cold blast expected to blanket the Central U.S. this week and potentially threaten some winter wheat areas, particularly in the Southern Plains, along with expectations of increased index fund investments as portfolio rebalancing starts later this week. A lower dollar also provided underlying support. Profit-taking and a higher dollar pushed wheat lower on Tuesday, but it roared back on Wednesday, posting double-digit gains to close at a one month high, boosted by fund buying and a lower dollar. Wheat finished sharply lower today (Thursday), on more profit-taking and disappointing export sales. Factors to watch for wheat include fund investment flows, the dollar and USDA's winter wheat seedings estimate on January 12. **Wheat market closes on Thursday, 1/7/10.**

	<b>Mar 09</b>	<b>Weekly Summary</b>	<b>May 2010</b>	<b>Weekly Summary</b>
Chicago	\$5.57 ¾	Up \$.16 ¼	\$5.70	Up \$.15
Kansas City	\$5.60 ¼	Up \$.24	\$5.61 ¼	Up \$.13 ½
Minneapolis DNS	\$5.63 ½	Up \$.18 ½	\$5.73 ½	Up \$.16 ½

**CORN** – Corn began the week higher, but lagged wheat, on a combination of positioning for anticipated index fund buying, higher crude oil and more harvest delays from cold wintry weather across the Midwest. Corn traded in a narrow range on Tuesday, posting only fractional gains, despite a down draft from wheat and other outside markets. Prices closed modestly higher on Wednesday as more fund buying was met by increased farmer selling. Corn finished lower today (Thursday) in sympathy with soybeans but losses were limited by ideas that corn needs to take at least 2 million acres away from wheat and/or soybeans in 2010 in order to meet global corn demand. Factors to watch for corn include actual index fund rebalancing and next Tuesday's highly anticipated corn S&D report which is widely expected to show a decline in corn production estimate from November's peg of 12.921 billion bushels. **Mar 2010 corn contract closed Thursday, 1/7/10, at \$4.17 ½, up \$.03 for the week and the May 2010 contract closed at \$4.28, up \$.03 ¾ for the week.**

**Other Major Factors to Watch -**

- § **Crude Oil** – Crude oil prices have taken off in the New Year, topping \$81/bbl to start this week with support from a lower dollar, encouraging economic news and cold temperatures which are expected to boost near-by energy demand. Prices rallied strongly on Wednesday despite a bearish weekly inventory report, climbing higher for the 10<sup>th</sup> consecutive day to the highest level in 14 months. The weekly petroleum inventory report showed crude oil stocks increasing 1.3 million million bbls, compared to expected decrease of 1.0 million bbls; distillates fell 233,000 bbls, compared to an expected draw of 1.85 million bbls; while gasoline stocks increased 3.7 million bbls, compared to an expected build of 800,000 bbls. Crude oil slipped lower today under \$83/bbl on pressure from a stronger dollar which was boosted by China's surprise move to tighten credit.
- § **U.S. weather / crop watch** – A major winter storm was bringing substantial snow to parts of the Midwest by mid week, providing sufficient snow cover across most SRW areas to limit winterkill threats from subzero temperatures which are expected by this weekend. There are still concerns about spotty snow cover in parts of the Central and Southern Plains where parts of western Kansas, northeastern Colorado and southwestern Nebraska - about a quarter of the HRW belt - remain vulnerable to patchy winterkill losses. More moderate temperatures are forecast next week.
- § **International weather / crop watch** –
  - § **Argentina** – Beneficial rainfall has continued to provide favorable growing conditions for both corn and soybeans, but locally heavy rains have slowed final winter wheat harvesting.
  - § **Australia** – Dry conditions across the southern and western regions have allowed winter grain harvesting to rapidly progress.
  - § **Europe** – Rain and snow over most of Europe have provided favorable overwintering conditions for grains, while locally heavy rains have eased drought concerns in Spain.
  - § **Former Soviet Union** – Winter grains remain dormant under moderate to deep snow cover, although rain has melted protective cover in portions of southern Ukraine and Russia.