

# Idaho Grain Market Report, January 30, 2014

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 29, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>		
	<u>FEED</u>				
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	NQ	(2-R) \$11.50 (6-R) \$11.50	NQ	NQ	NQ
Blackfoot / Pocatello	\$7.30	(2-R) \$10.00 (6-R) \$10.00	\$5.80	\$6.35	\$6.52
Grace / Soda Springs	\$7.50	(2-R) NQ (6-R) NQ	\$5.70	\$6.38	\$6.87
Burley / Rupert	\$7.50	(2-R) NQ (6-R) NQ	\$5.50-\$5.60	\$6.00	\$6.33
Hazelton		(2-R) NQ (6-R) NQ			
Twin Falls / Eden / Buhl	\$8.50	(2-R) NQ (6-R) NQ	\$5.40	NQ	NQ
Weiser	\$7.50	(2-R) NQ (6-R) NQ	\$5.78	NQ	NQ
Nez Perce / Craigmont	\$5.75	(2-R) \$5.70 (6-R) \$5.70	\$5.84	\$6.54	\$6.84
Lewiston	\$6.55	(2-R) \$6.55 (6-R) \$6.55	\$6.15	\$6.85	\$7.15
Moscow / Genesee	\$5.60-\$5.70	(2-R) \$5.70 (6-R) \$5.70	\$5.47-\$5.92	\$6.20-\$6.62	\$6.50-\$6.92

### Prices at Selected Terminal Markets, cash prices FOB

	#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 \$6.56 ½-\$6.61½ Aug NC \$6.27 ¾- \$6.37 ¾	Jan \$7.53 ¾-\$7.58 ¾ Aug NC \$6.54-\$6.84	Feb \$7.88-\$7.93 Aug NC \$6.98-\$7.18
Los Angeles	\$10.90	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.90	NQ	NQ	NQ	NQ	NQ
Ogden	\$7.65	NQ	NQ	\$5.95	\$6.68	\$7.28
Great Falls	\$6.50	NQ	\$9.50	NQ	\$5.78-\$6.02	\$6.16-\$6.24
Minneapolis	\$7.71	NQ	\$11.87	NQ	\$7.18 ¾ (12%)	\$8.33-\$8.98

### Market trends this week

**BARLEY** – Local barley prices were mixed this week with southern Idaho locations reporting a range of 45 cents lower to 75 cents higher and northern Idaho reporting no change. USDA reported there were no barley export sales last week; while barley export shipments totaled 0.1 TMT for Taiwan.

**WHEAT** – Local wheat prices were also mixed this week: SWW ranged from no change to 3 cents higher; HRW ranged from 26 cents lower to 19 cents higher; and DNS ranged from 15 to 73 cents lower. USDA reported wheat export sales last week were well above trade expectations at 796.9 TMT (794.9 TMT in MY 13/14 and 2 TMT in MY 14/15), up 89% from the previous week and considerably higher from the prior 4 week average. Wheat export shipments last week totaled 422 TMT, unchanged from the previous week but down 1% from the prior 4 week average.

**Wheat Competitor/Buyer News** –The EU granted export licenses for 609,000 TMT wheat this week, bringing cumulative wheat exports to 17.3 MMT, compared to 11.3 MMT a year ago. Egypt purchased 240 TMT of wheat this week, with 60

TMT US SRW and 180 TMT Russian origin. Bangladesh purchased 150 TMT of Indian wheat this week. Jordan is tendering for 100 TMT of wheat.

**CORN** – Corn export sales were well above trade expectations last week at 1.94 MMT (1.838 MMT for MY 2014 and 105.7 TMT for MY 2015), up 143% from the previous week and sharply higher than the prior 4 week average. Corn export shipments were also also strong last week at 1 MMT, up 26% from the previous week and 38% from the prior 4 week average.

**Ethanol corn usage** – DOE’s Energy Information Agency reported modestly lower weekly U.S. ethanol production last week –down 5,000 bbls to 900,000 bpd – down 0.55% from the previous week but up 16.9% from last year. Corn used for ethanol totaled 94.5 million bu, still behind the weekly pace of 97 million bu to meet the USDA projection of 5.0 billion bu for the marketing year.

**Corn Competitor/Buyer News** – There was talk in the market this week that Ukraine is having corn shipping difficulties. Brazil’s corn export pace for MY 2014 also is significantly behind last year.

**Futures Market trends this week**

**U.S. economic news** – U.S. economic readings continue to outperform the rest of the world, signally steady U.S. growth prospects while world economic indicators remain mixed, including the first contraction in Chinese manufacturing in 6 months. This situation is driving the U.S. dollar higher and sending emerging market currencies in a tailspin which is sparking uncertainty and some panic liquidation in many major markets around the world, including Wall Street. US Department of Commerce reported **US Q4 GDP posted strong growth of 3.2%**, driven higher by better than expected consumer spending (+3.3%). As widely expected the Federal Reserve continued to cut its monthly bond purchasing program (QE3) by another \$10 billion to \$65 billion/month. Market watchers expect the Fed to continue making monthly cuts in QE3 with complete elimination expected by the end of December 2014.

**WHEAT** – Wheat posted moderate losses to start the week in continued choppy two-sided trading which has been its usual pattern for the past couple months. Prices were higher early on oversold technicals and speculation that a return of frigid temperatures would cause winterkill in winter wheat crops in areas that lacked protective snow cover but wheat could not hold these gains into the close on pressure from disappointing export shipments and weak outside markets. Wheat prices finished sharply lower on Wednesday – trading down double digits to new contract lows under pressure from aggressive fund selling triggered by bearish outside market forces and weak short term technical signals. Wheat markets rebounded to close moderately higher on Thursday (except MGEX), with support from better than expected weekly export sales and improving outside markets. MGE remains under pressure from a stocks-to-use ratio above 40%.

**Wheat market closes on Thursday, 1/30/14 ...**

	<b>Mar 2014</b>	<b>Weekly Summary</b>	<b>May 2014</b>	<b>Weekly Summary</b>	<b>Dec. 2014</b>	<b>Weekly Summary</b>
Chicago SRW	\$5.53 ½	Down \$.11 ¾	\$5.56 ¼	Down \$.15 ¼	\$5.80 ½	Down \$.18 ¼
KC HRW	\$6.10 ¾	Down \$.16 ½	\$6.07 ¼	Down \$.18	\$6.23	Down \$.17 ½
MGE DNS	\$5.97 ¼	Down \$.15 ¾	\$5.95 ¾	Down \$.17 ¼	\$6.25 ½	Down \$.16 ¾

**CORN** – Corn trade remained range bound (\$4.20 to \$4.40) this week, with some support from short covering and a firmer tone in cash markets as farm movement slowed. Better than expected export inspections pushed prices modestly higher to start the week but prices eroded lower mid week on a lack of fresh supportive news and bearish outside markets which hammered commodities across the board. Corn prices posted a modest reversal higher on Thursday with support from short covering and stronger than expected export sales. **Corn futures contract closes on Thursday, 1/30/14 for Mar. 2014 contract at \$4.33½, up \$0.03 for the week, May 2014 contract closed at \$4.39½, up \$0.03½ and the Dec. 2014 contract closed at \$4.50¼, up \$0.00¾ for the week.**

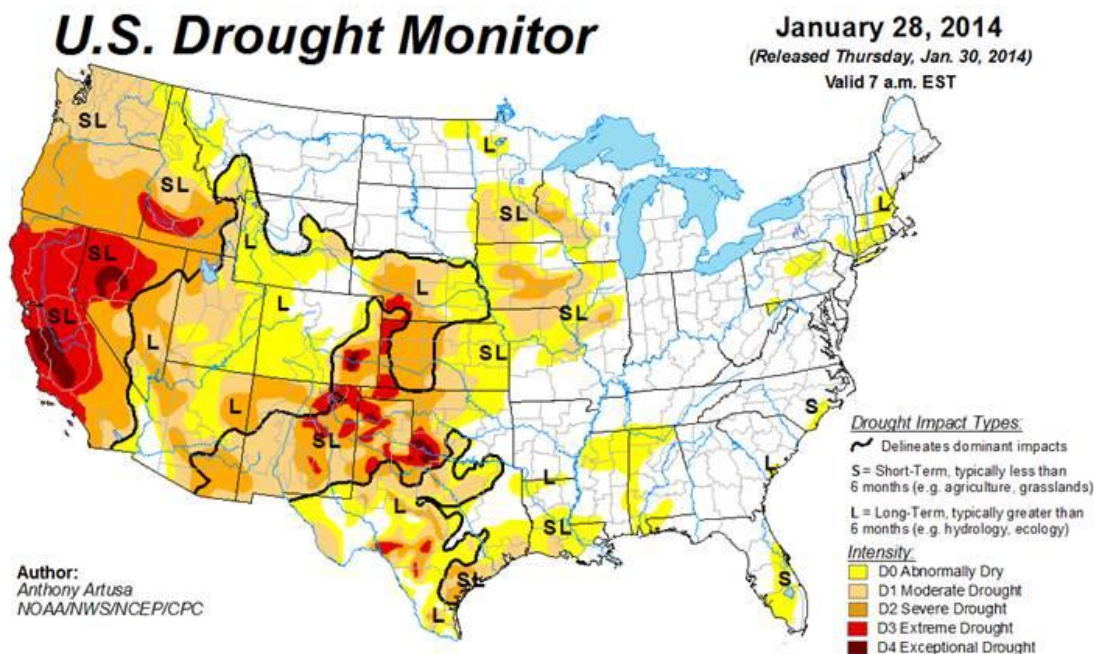
**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** –Crude oil continued to see choppy trading this week, with pressure from weaker outside markets but managed to post the highest prices of the year on ideas that increased consumer spending will drive future energy demand. DOE’s weekly inventory report showed crude oil stocks jumped by 6.421 million bbls last week, sharply higher than an expected build of 2.25 million bbls; distillate stocks fell by 4.584 million bbls, compared to expected decline of 2.55 million bbls; and gasoline stocks fell by 819,000 bbls, compared to an expected increase of 1.6 million bbls. **Crude oil futures finished higher on Thursday to close at \$98.23, the best price for 2014 with support from a better than expected Q4 GDP reading for the U.S.**

**INTERNATIONAL WEATHER / CROP PROGRESS -**

**Argentina** – Key production areas of Argentina continued to see cooler and wetter weather this week, favorable for corn production.

**Brazil** – Southern and Central Brazil saw much drier conditions this week, allowing soybean harvest to advance. Second crop corn will need to see moisture soon to maintain favorable yield prospects.



#### UPCOMING IDAHO GRAIN WEBINARS sponsored by the Idaho Barley Commission...

- **Feb. 3 webinar** at 8:30 a.m. MST for 75 minutes. “Developing your 2014 Pre-Harvest Marketing Plan for Wheat” presented by Ed Usset, University of Minnesota. Connect at <http://connect.cals.uidaho.edu/barley>
- **Feb. 7 webinar** at 2:00 pm MST for 90 minutes. “2014 Global Grain Market Outlook and Strategies” presented by Bob Utterback, Utterback Marketing Connect at <http://connect.cals.uidaho.edu/barley>
- **Feb. 24 webinar** at 8:30 a.m. MST for 60 minutes – “Irrigation Efficiencies in a Water Short Year” presented by Dr. Howard Neibling, UI Kimberly Connect at <http://connect.cals.uidaho.edu/barley>

#### Webinars sponsored by the Idaho Wheat Commission...

- **RECORDED WEBINAR** on Ag Tax Issues presented by Jerry Brown, link can found at...<http://connect.cals.uidaho.edu/p2alaqom18n/>

#### 4-week Extension Farm Succession & Estate Planning Short Courses

featuring accounting, legal and financial planning experts. Topics include:

- ♦ Starting the Conversation
- ♦ Succession Planning
- ♦ Retirement Planning
- ♦ Estate Planning Tools

**Bonneville County Extension Office, 2925 Rollandet, Idaho Falls. Starting Feb. 12 through March 5, 2014, 10:00 a.m. to 3 :00 p.m.** Registration fee of \$100 per operation. To register, contact Teton County Extension at 208-354-2961.

**Zions Bank Building, 102 W. Main Street, Burley. Starting Jan. 28 through Feb. 20, 10:00 a.m. to 3:00 p.m.** Registration fee of \$100 per operation. To register, contact Cassia County Extension at 208-878-9461.