

**Idaho Grain Market Report, February 5, 2009**

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, February 4, 2009. 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) \$8.50 (6-R) \$8.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	(2-R)\$8.44-\$10.00 (6-R)\$8.44	\$4.42	\$4.74	\$6.53
Blackfoot / Pocatello	\$5.85	(2-R) \$8.50 (6-R) \$8.50	\$4.65	\$4.70	\$6.64
Grace / Soda Springs	\$6.75	(2-R) NQ (6-R) NQ	\$4.06	\$4.63-\$4.90	\$6.36-\$6.75
Burley / Rupert Hazelton	\$6.00	(2-R) \$8.44 (6-R) \$8.44	\$4.15-\$4.33	\$4.70	\$6.46
Twin Falls / Eden / Buhl	\$6.40-\$7.00	(2-R) NQ (6-R) NQ	\$4.10-\$4.20	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.52	NQ	NQ
Nez Perce / Craigmont	\$4.28	(2-R) \$5.78 (6-R) \$5.78	\$5.06	\$5.48	\$7.26
Lewiston	\$4.73	(2-R) \$6.23 (6-R) \$6.23	\$5.25	\$5.67	\$7.45
Moscow / Genesee	\$4.33-\$6.00	(2-R) \$5.83 (6-R) \$5.83	\$5.02-\$5.68	\$5.44-\$6.08	\$7.22-\$7.95

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

	Barley (Cwt.)		Malting	Wheat (bu.)		
	#2 Feed 46 lbs. -- unit trains barge	Single rail cars-domestic		#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	Feb \$5.55-\$5.68 Feb \$5.55-\$5.72	Feb \$6.05-\$6.08 Aug NC \$6.92-6.97	Feb \$7.82-\$7.92
Los Angeles	\$9.30	NQ	NQ	NQ	NQ	NQ
Stockton	\$9.25	NQ	NQ	NQ	NQ	NQ
Tulare	\$9.30	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.80	NQ	NQ	\$4.36	\$4.90	\$6.80
Great Falls	\$2.75-\$4.55	NQ	\$9.00	NQ	\$4.57-\$4.66	\$6.84-\$7.07
Minneapolis	\$5.21	NQ	NQ	NQ	\$6.06 ¼ (12%)	\$7.36 ¼ - \$7.51 ¼

**Market trends this week**

**BARLEY** – Local barley prices were mixed, ranging from no change to 40 cents lower this week. USDA reported there were no barley export sales last week. Barley export shipments totaled .3 for Taiwan.

**Barley Competitor/Buyer News** – Stats Canada showed Canadian barley stocks as of December 31 totaled 8.5 MMT, up 19% from a year ago, and slightly above a five year average of 8.423 MMT.

**WHEAT** – Local wheat prices were mostly lower this week: SWW ranged from no change to 54 cents higher; HRW ranged from 19 cents lower to 48 cents lower; and DNS from 17 cents lower to 49 cents lower. U.S. wheat export sales last week were within trade expectations at 326.8 TMT, which was up significantly from the previous week, and from the prior 4-week average. Export shipments last week totaled 402.8 TMT, up 17% from the week before and 11% above the prior 4-week average.

**Wheat Competitor/Buyer News** – Private Australian forecasters indicate that Australian wheat seedings may fall 7-11% this year due to lower world prices. The Chinese Xinhua News Agency reported this week that drought is now affecting almost 43% of that country's winter wheat crop with limited rainfall in the near term forecast. Stats Canada reported Canadian wheat stocks as of Dec. 31 at 21.9 MMT, up 36% from the year before and above a five year average of 20.061 MMT. Egypt purchased 60 TMT SRW wheat late last week along with 120 TMT French wheat, but the U.S. lost out completely in another snap tender announced this week, with the 208 TMT business going to Russia and France. There were rumors that Russia may be pushing to sell wheat out its intervention reserve which could be as much as 5.5 MMT. **International tender line-up**...Pakistan (purchased 172 TMT of optional origin wheat and will tender for 250 TMT USD SWW on Feb. 7), Iraq (50 TMT), Syria (200 TMT), Tunisia (50 TMT),

**CORN** - Corn export sales were well above trade estimates and hit another marketing year high last week at 1.16 MMT, up 5% from the previous week and 74% above the prior 4-week average. Export shipments last week totaled 745.5 TMT, up 1% from the previous week, and 13% from the prior 4-week average.

**Ethanol Outlook** – DOE/EIA reported November 2008 ethanol production was 40% higher than a year ago, but was a slowing trend compared to the previous four months gain of 43-49%. Ethanol usage was 36% higher in November, compared to the previous six month increase of 40-50%. ADM claimed this week that as much as 21% of the US ethanol production capacity (12.9 bgd) is currently shut down due to negative profit margins throughout the industry.

**Corn Competitor/Buyer News** – China announced they would continue to build government owned grain reserves but also left the door open to restarting corn exports. Informa pegged the Argentine corn crop at 16 MMT this week, compared to other private forecasts last week in the range of 12.3 to 13.7 MMT. Brazil's Conab pegged the Brazilian corn crop at 50.3 MMT this week, down from last month's estimate of 52.3 MMT. South Korean feed millers purchased 110 TMT US corn this week, along with 55 TMT optional origin.

#### Futures market activity this week

**Wheat** – Wheat futures began the week mostly sideways to lower on spillover weakness and disappointing export inspections. Prices slumped on both Tuesday and Wednesday on a combination of weak outside markets and a lack of fresh fundamental news. However, continued dryness in the US Southern Plains and North China Plains provided some underlying support. Technical short covering and new fund buying drove prices sharply higher today (Thursday). **Wheat market closes on Thursday, 2/05...**

	<u>Mar 09</u>	<u>Weekly Summary</u>	<u>May 09</u>	<u>Weekly Summary</u>
Chicago	\$5.61 <sup>3</sup> / <sub>4</sub>	Down \$.06 <sup>1</sup> / <sub>4</sub>	\$5.74 <sup>3</sup> / <sub>4</sub>	Down \$.06
Kansas City	\$5.90	Down \$.11	\$6.00 <sup>3</sup> / <sub>4</sub>	Down \$.11 <sup>1</sup> / <sub>2</sub>
Minneapolis DNS	\$6.55 <sup>3</sup> / <sub>4</sub>	Up \$.03 <sup>3</sup> / <sub>4</sub>	\$6.42	Down \$.04

**Corn** – Corn prices began the week lower as rain showers provided slight crop improvements in Argentina, with projections showing another storm system moving through mid week. Corn prices continued to grind lower on both Tuesday and Wednesday, pressured by bearish South American weather outlook and continued economic uncertainty. Corn finished sharply higher today (Thursday) on fund buying and short covering. **Mar 09 corn contract closed on Thursday, 2/05, at \$3.71 <sup>1</sup>/<sub>4</sub>, down \$.07 <sup>3</sup>/<sub>4</sub> for the week and the May 09 contract at \$3.81 <sup>1</sup>/<sub>2</sub>, down \$.08 <sup>3</sup>/<sub>4</sub> for the week.**

#### Other Major Factors to Watch

- § **Crude oil** – Crude oil traded within a narrow range this week, stabilizing around \$40/barrel. Continued economic weakness and more job losses continue to slow demand, anchoring crude oil prices. On the supply side, OPEC reported they would likely consider another 1.0 million bpd production cut at their March 15 meeting. Chevron announced a new oil discovery in the Gulf of Mexico that could be as large as their 2004 "Jack" oilfield discovery.
- § **International Weather/Crop Watch** –
  - **South American corn/soybeans** – Argentina received better than expected rainfall this week, reducing the areas of concern to about 20-25% of the grainbelt. However, most analysts believe their corn crop is not likely to see much yield improvement at this stage but conditions are likely to stabilize. Although the nearby forecasts show the possibility of additional rainfall, dryness expands in the 11-15 day outlook.