

# Idaho Grain Market Report, February 13, 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, February 12, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>		
	<u>FEED</u>				
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$7.75	(2-R) NQ (6-R) NQ	\$5.97	\$6.45	\$6.92
Idaho Falls	\$7.85	(2-R) \$11.50 (6-R) \$11.50	\$6.00	\$6.62	\$6.89
Blackfoot / Pocatello	\$7.30	(2-R) \$10.00 (6-R) \$10.00	\$5.90	\$6.58	\$7.05
Grace / Soda Springs	\$7.75	(2-R) NQ (6-R) NQ	\$6.00	\$6.53	\$7.15
Burley / Rupert Hazelton	\$7.50	(2-R) NQ (6-R) NQ	\$5.81-\$5.90	\$6.49	\$6.77
Twin Falls / Eden / Buhl	\$7.85-\$8.50	(2-R) NQ (6-R) NQ	\$5.50	NQ	NQ
Weiser	\$8.17	(2-R) NQ (6-R) NQ	\$6.06	NQ	NQ
Nez Perce / Craigmont	\$6.00	(2-R) \$6.00 (6-R) \$6.00	\$6.10	\$7.23	\$7.45
Lewiston	\$6.80	(2-R) \$6.80 (6-R) \$6.80	\$6.41	\$7.54	\$7.76
Moscow / Genesee	\$5.85-\$5.95	(2-R) \$6.30 (6-R) \$6.30	\$5.76-\$6.18	\$6.89-\$7.31	\$7.11-\$7.53

### 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	Feb \$7.15-\$7.23 Aug NC \$6.50-\$6.79 ¼	Feb \$8.29 ¾-\$8.34 ¾ Aug NC \$7.07 ¾-\$7.37 ¾	Feb \$8.31 ½ -\$8.71 ½ Aug NC \$7.26¼-\$7.51¼
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	\$7.90	NQ	NQ	\$6.15	\$6.80	\$7.61
Great Falls	\$6.25-\$6.50	NQ	\$9.50	NQ	\$6.38-\$6.51	\$6.65-\$6.84
Minneapolis	\$7.71	NQ	\$11.77	NQ	\$7.92 (12%)	\$8.99 ¼-\$9.04 ¼

### Market trends this week

**BARLEY** – Local barley prices were mostly higher again this week with southern Idaho locations reporting a range of no change to 52 cents higher and northern Idaho reporting 25 cents higher. USDA reported that export sales totaled 6 TMT for South Korea last week, but no barley export shipments.

**USDA's BARLEY S&D Projections for MY 2013/14 – Feb. 10** – USDA made only very minor tweaks to the U.S. barley balance sheet this month... they cut imports by 5 million bu to 20 million bu, cut domestic feed usage by another 5 million bu to 60 million bu, leaving ending stocks unchanged at 90 million bu. USDA further tightened the average farm gate price projection for U.S. barley to \$5.85-\$6.25. **World barley production was increased by 0.26 MMT this month to 144.97 MMT, up 11% from last year, with a slightly higher revision higher for Ukraine at 7.56 MMT, up 9% from the previous year. World ending stocks were cut by 0.42 MMT this month to 23.56 MMT, up 14% from last year.**

**WHEAT** – Local wheat prices were also mostly higher this week: SWW ranged from 3 cents lower to 32 cents higher; HRW ranged from 1 to 18 cents higher; and DNS ranged from 5 to 34 cents higher. USDA reported wheat export sales last week were within trade expectations at 626.6 TMT (597 TMT for MY 2013/14 and 29.6 TMT for MY 2014/15), down 7% from the previous week but up 12% from the prior 4 week average. Cumulative wheat export sales have now reached 85.3% of the USDA estimate for the year, compared to 80.3% on average. Wheat export shipments last week totaled 403.7 TMT which was up 10% from the previous week but down 8% from the prior 4 week average.

**USDA released their 10-year projections today, showing 2014 US wheat acres at 57 million, average yield of 45.8 bpa, production of 2.22 bbu, ending stocks of 642 million bu and average price of \$4.90.** These projections are part of their 10 year budgeting process and are NOT the same as their annual crop projections which will be released next Friday, which will be the first estimated look at 2014 crop estimates.

**USDA's WHEAT S&D Projections for MY 2013/14 – Feb. 10 -** USDA's revised projections were considered mostly BULLISH for wheat... they increased imports by 10 million bu to 170 million bu, increased domestic food use by 10 million bu to 960 million bu and raised wheat exports by another 50 million bu to 1.175 billion bu. This resulted in a **50 million bu cut in U.S. wheat ending stocks to 558 million bu.** This was **45 million bu BELOW the average pre-report trade estimate of 603 million bu.** The average farm gate price for U.S. wheat was tightened to \$6.65-\$6.95/bu. **World wheat production was cut by 1.2 MMT this month to 711.9 MMT - up 8% from last year – with revisions for Brazil (higher) and Kazakhstan (lower).** World wheat ending stocks were cut by 1.7 MMT this month to 183.7 MMT, up 4% from last year.

**CORN** –USDA reported corn export sales last week were above trade expectations at 1.269 MMT, down 25% from the previous week but up 1% from the prior 4-week average. This included 228 TMT Chinese cancellations. Cumulative corn export sales have now reached 85.1% of the USDA estimate for the year, compared to 67.5% on average. Corn export shipments last week totaled 952.5 TMT, up 28% from the previous week and 18% from the prior 4 week average.

**USDA's long-term projections showed 2014 corn acres at 93.5 million, average yield of 165.6 bpa, production of 14.266 billion bu, ending stocks of 2.607 billion and average price of \$3.65.**

**USDA's CORN S&D Projections for MY 2013/14 – Feb. 10** – Report was bullish leaning for corn...they increased exports by 150 million bu to 1.6 billion bu, cutting ending stocks by an equal amount to 1.481 billion bu. **This was BELOW trade expectations of 1.619 billion bu.** The average farm gate price for U.S. corn was tightened to \$4.20-\$4.80/bu. **World corn production was cut slightly to 966.6 MMT, up 12% from last year. World corn ending stocks were cut by another 2.9 MMT this month to 157.3 MMT, due to smaller U.S. carryout, but still up 17% from last year.**

**Ethanol corn usage** – DOE's Energy Information Agency reported a positive uptick in U.S. ethanol production last week – up 7,000 bbls to 902,000 bpd – up 0.8% from the previous week and up 14.3% from last year. Corn used for ethanol totaled 94.7 million bu, still lagging behind the weekly pace of 97.3 million bu needed to meet the USDA projection of 5.0 billion bu for the marketing year.

**Corn Competitor/Buyer News** – Buenos Aires Grain Exchange is projecting the Argentine corn crop at 23.5 MMT, compared to USDA's estimate this week of 24 MMT. CONAB is projecting Brazil's second crop corn production will total 42.8 MMT this year, down from last year's record 46.2 MMT.

#### Futures Market trends this week

**U.S. economic news** – Economic indicators remained mixed this week... with weaker than expected retail sales and an increase in weekly first time jobless claims. However, testimony from the new Fed Chairman Janet Yellen seemed to bolster optimism about the US economy and reassure investors that the Fed will maintain its current course of scaling back its historic monetary stimulus through "measured steps", noting that the recovery in the labor market was far from complete.

**WHEAT** – Wheat started off the week on a strong note, moving solidly higher on short covering triggered by an unexpectedly bullish USDA monthly S&D report. Wheat markets continued to extend their modest gains on Tuesday but increased selling in both KC and MGE capped the upside momentum. Prices reversed lower on Wednesday in choppy two sided trading as attention turns to a weak demand tone. Wheat markets rebounded nicely today (Thursday) on another round of short covering as short term technicals trend higher. **Wheat market closes on Thursday, 2/13/14 ...**

	<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	\$5.95 ½	Up \$.18	\$5.94	Up \$.14 ¾	\$6.18 ¾	Up \$.14
KC HRW	\$6.72 ¾	Up \$.23 ½	\$6.64 ¾	Up \$.26 ¼	\$6.73 ½	Up \$.27 ¾
MGE DNS	\$6.62 ¼	Up \$.23	\$6.45 ½	Up \$.26 ¼	\$6.63 ½	Up \$.22 ¼

**CORN** – Corn posted modest losses to start the week, despite a bigger than expected cut in ending stocks as technicals move into overbought levels suggesting the market might be due for a correction. Technical weakness kept a lid on price gains on both Tuesday and Wednesday as the market attention begins to shift to 2014 acreage projections. Corn prices finished mixed to fractionally higher on Thursday on an early bounce from better than expected weekly export sales and spillover strength from soybeans. **Corn futures contract closes on Thursday, 2/13/14 for Mar. 2014 contract at \$4.40 ½, down \$0.03 ¾ for the week, May 2014 contract closed at \$4.46 ½, down \$0.03 ½ and the Dec. 2014 contract closed at \$4.56 ¼, down \$0.03 ¾ for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** –Crude oil traded in a narrow range this week, but still managed to climb to 3 ¾ month high on increased global demand projections, record Chinese oil imports in January and a decline in stocks at Cushing, OK. DOE’s weekly inventory report showed crude oil stocks increased by 3.27 million bbls last week, compared to an expected build of 2.6 million bbls; distillates fell by 731,000 bbls, compared to expected decline of 2.13 million bbls; and gasoline stocks fell by 1.9 million bbls, compared to an expected decrease of 250,000 bbls. **Crude oil futures finished mostly unchanged today– up \$0.02 to close at \$100.35/bbl.**

**INTERNATIONAL WEATHER / CROP PROGRESS -**

**Brazil** – Southern Brazil Vegetative Health Index map showed moisture stress, but was counterbalanced by favorable outlook in Mato Grosso (#2 corn and #1 bean producing region).

**IBC Educational Webinars**

**Feb. 24 webinar at 8:30 a.m. MST** “Irrigation Efficiencies in a Water Short Year” presented by Dr. Howard Neibling, UI Kimberly. Connect at <http://connect.cals.uidaho.edu/barley>

**Mar. 4 webinar at 7:00 p.m. MST** “Right Risk: Evaluating Risk Management Options and Using Enterprise Risk Analyzer Tools” presented by Dr. Jay Parsons, Optimal Ag/Colorado State University. Connect at <http://connect.cals.uidaho.edu/barley>

**RECORDED WEBINAR...** featuring Bob Utterback, Utterback Marketing “2014 Global Grain Market Outlook and Strategies.” Link at <http://connect.cals.uidaho.edu/p818x8sgjo4/>

**RECORDED WEBINAR...**featuring Ed Usset, University of Minnesota “Developing your 2014 Pre-Harvest Marketing Plan for Wheat”

Link at <http://connect.cals.uidaho.edu/p4nnx7ry9of/>

**Webinars sponsored by the Idaho Wheat Commission**

**Friday, Feb. 14 at 8:00 a.m. MST...**featuring Dr. Dick Smiley, Plant Pathologist, Oregon State University on controlling root-lesion nematodes and cereal cyst nematodes. Connect at <http://connect.cals.uidaho.edu/wheat>

**RECORDED WEBINAR...**featuring Jerry Brown, “Ag Tax Issues.”

Link at...<http://connect.cals.uidaho.edu/p2alagom18n/>

**RECORDED WEBINAR...**featuring Dr. Kurt Schroeder, UI CALS, Moscow, “Acid/Ph Soils.”Link at <http://connect.cals.uidaho.edu/p4smkqatgy2/>