

## Idaho Grain Market Report, February 16, 2012

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 15, 2012. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	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) \$12.50 (6-R) \$12.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$10.00	(2-R) NQ (6-R) NQ	\$6.00	\$6.00	\$8.05
Idaho Falls	\$10.00	(2-R) \$12.60-\$13.02 (6-R) \$13.02	\$6.05	\$5.95	\$7.82
Blackfoot / Pocatello	\$9.27	(2-R) \$12.50 (6-R) \$12.50	\$5.90	\$5.80	\$7.82
Grace / Soda Springs	\$10.55-\$10.65	(2-R) NQ (6-R) NQ	\$6.04	\$5.85-\$5.95	\$7.89
Burley / Rupert	\$9.50	(2-R) \$13.02 (6-R) \$13.02	\$5.50-\$6.00	\$5.94	\$7.82
Hazelton					
Twin Falls / Eden / Buhl	\$10.00-\$10.70	(2-R) NQ (6-R) NQ	\$6.00	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.14	NQ	NQ
Nez Perce / Craigmont	\$8.60	(2-R) \$8.60 (6-R) \$8.60	\$6.49	\$6.84	\$8.80
Lewiston	\$8.85	(2-R) \$8.85 (6-R) \$8.85	\$6.68	\$7.03	\$8.99
Moscow / Genesee	\$8.65-\$10.00	(2-R) \$8.65 (6-R) \$8.65	\$6.45-\$7.15	\$6.80-\$7.40	\$8.76-\$9.33

### Trading 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 \$7.00-\$7.15 Aug NC \$6.65-\$6.70	Feb \$7.40 Aug NC \$7.20-\$7.30	Aug NC \$8.44-\$8.54
Los Angeles	\$13.25	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$13.25	NQ	NQ	NQ	NQ	NQ
Ogden	\$10.90	NQ	NQ	\$6.20	\$6.06	\$7.98
Great Falls	\$8.00-\$9.05	NQ	\$11.50	NQ	\$5.25-\$5.40	\$8.19-\$8.42
Minneapolis	\$10.73	NQ	\$14.69	NQ	\$7.30 (12%)	\$9.16-\$9.76

### Market trends this week

**BARLEY** – Local barley prices were mixed this week, ranging from 15 cents lower to 30 cents higher in southern Idaho and no change reported in northern Idaho. USDA reported that there were no barley export sales or barley export shipments last week.

**WHEAT** – Local wheat prices were mostly lower this week: SWW ranged from 35 cents lower to 75 cents higher; HRW ranged from 15 to 35 cents lower; and DNS ranged from 31 to 42 cents lower. USDA reported wheat export sales last week were below trade expectations at 420.4 TMT, down 41% from the previous week, and 31% from the 4-week average. Export shipments totaled 479.1 TMT, up 3% from the previous week and 13% from the 4-week average.

**Wheat Competitor/Buyer News** – Australia's wheat production was revised higher to a record 29.5 MMT. Egypt bought US wheat twice this week (first time this marketing year) starting with 55 TMT of SRW in a weekend tender and followed with 180 TMT purchase today. Reports indicated that Russia did not submit offers in the latest Egyptian tender, suggesting that nearby Black Sea wheat supplies have been mostly depleted.

**CORN** – Corn export sales last week were well above trade expectations at 1.07 MMT (1.01 MMT for MY 2011/12 and 61.5 TMT for MY 2012/13). Corn export shipments last week totaled 686 TMT, which was down 37% from the previous week and 21% from the 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production totaled 928,000 bbls per day last week, up 0.54% from the previous week and up 3.92% from last year. Corn used for ethanol last week totaled 98.85 million bu, above the weekly pace of 94.5 mbu needed to reach USDA's usage estimate of 5.0 billion bushels for the year.

**Corn Competitor/Buyer News** – The Buenos Aires Grain Exchange has pegged the Argentine corn crop at 21.3 MMT this week, compared to USDA's latest peg of 22 MMT. China announced this week that they have reached agreement with Argentina to allow for imports of Argentine corn. Two South Korean feed millers bought 345 TMT of U.S. corn this week.

**Futures market activity this week**

**Macroeconomic news** – More ups and downs on the Greek debt crisis this week as euro financial ministers delayed a final decision until early next week on releasing a second round of bailout funds. Their concerns are that Greek leaders will abandon newly enacted austerity measures after an election scheduled in April. Moody's downgraded the credit rating of several euro-zone countries last Friday, and followed this week with a notice that it was putting 17 global banks (including five major U.S. banks) and 114 European financial institutions on review for a possible credit downgrade.

**U.S. economic news** – There was another round of positive news this week...weekly jobless claims continued to fall to a 4 year low at 348,000, new housing starts increased by 1.5% which was better than expected and U.S. producer prices increased by only 0.1% last month, below the expected increase of 0.4%.

**WHEAT** – Wheat posted strong gains on Monday, pulled higher by fund buying triggered by a lower dollar and renewed optimism about a Greek bailout deal. A stronger dollar, less threatening weather and late session fund selling pushed wheat lower on Tuesday. Additional pressure came from Australia's revised wheat production estimate to a record high 29.5 MMT. Wednesday saw an early bounce evaporate into the close as outside markets turned mostly negative. Wheat finished stronger today (Thursday), closing up double digits in the hard wheat markets on concerns about tightening milling quality supplies and oversold technical condition. **Wheat market closes on Thursday, 02/16/12...**

	<b>Mar 2012</b>	<b>Weekly Summary</b>	<b>May 2012</b>	<b>Weekly Summary</b>
Chicago	\$6.28 <sup>3</sup> / <sub>4</sub>	Down \$0.01 <sup>1</sup> / <sub>4</sub>	\$6.35 <sup>1</sup> / <sub>4</sub>	Down \$0.02 <sup>3</sup> / <sub>4</sub>
Kansas City	\$6.83	Up \$0.10	\$6.91	Up \$0.10
Minneapolis DNS	\$8.17 <sup>3</sup> / <sub>4</sub>	Up \$0.03 <sup>1</sup> / <sub>2</sub>	\$8.14 <sup>1</sup> / <sub>2</sub>	Up \$0.11 <sup>1</sup> / <sub>2</sub>

**CORN** – Corn began the week solidly higher on late session fund buying prompted by bullish outside markets, but gains were limited by sluggish export inspections that came in well below trade expectations. Corn reversed direction and moved lower on both Tuesday and Wednesday in the wake of negative outside markets and spread fund buying that favored soybeans. Corn rallied higher today (Thursday), with support from a lower dollar, higher energies, tight cash markets and stronger than expected weekly export sales. **Mar 2012 corn futures contract closed Thursday, 02/16/12, at \$6.36<sup>1</sup>/<sub>4</sub>, up \$0.04<sup>1</sup>/<sub>2</sub> and the May 2012 contact closed at \$6.39<sup>3</sup>/<sub>4</sub>, up \$0.04<sup>1</sup>/<sub>4</sub> for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil trading was volatile this week as economic issues and geopolitical risks continued to pull the commodity mostly higher. Crude oil prices opened the week more than two dollars higher to close just short of \$101 as a weekend vote by the Greek Parliament in favor of new austerity measures fueled renewed economic optimism that the euro debt crisis will be tamed. After attempting a rally above \$102 on Tuesday, prices eased back slightly to close at \$100.74 under pressure from a stronger US dollar and renewed caution as European financial ministers canceled their meeting to finalize a second bailout for Greece. Wednesday brought renewed optimism after Chinese officials announced overnight they would invest in the euro-zone bailout fund, driving the dollar lower and crude oil prices more than a dollar higher to close at \$101.80. Support also came from lower than expected weekly crude oil stocks. DOE reported crude oil stocks decreased by 171,000 bbls, compared to an expected increase of 1.5 million bbls; distillates fell by 2.87 million bbls, compared to an expected decline of 1.1 million bbls; and gasoline stocks increased by 400,000 bbls. **Crude oil rallied throughout today (Thursday)'s session – closing up \$0.51 to \$102.31/bbl - on economic optimism and continuing supply concerns with Iran and reports of tightening North Sea output in March.**

- **U.S. WEATHER / CROP WATCH** – Some areas of the Central and Southern Plains received moisture this week but amounts remained disappointing. The 6-10 and 8-14 day outlooks remain dry for the Southwest. Western Midwest also continued to see below normal precipitation which is consistent with a LaNina weather pattern. Most weather models indicate that **LaNina will continue to weaken through the remainder of winter and transition to a neutral condition later this spring**, but lingering impacts could continue to be felt in many Great Plains and Midwestern growing areas.
- **INTERNATIONAL WEATHER / CROP WATCH**
  - **Argentina/Brazil** – Minor rain interruptions continued in Brazil's northern soybean harvest and second crop corn

planting. An upturn in rain events is expected next week across the entire belt, greatly reducing the area of soybean stress. Rains have been more limited in Argentina recently, but are expected to spread across the entire belt this weekend and early next week, supporting double-crop soybean development.

**ATTENTION NORTH IDAHO PRODUCERS:**

IBC and University of Idaho Extension are collaborating on several grower risk management education programs this winter:

- **Workshops on Grain RightRisk & Understanding Technical Trading Trends in Grain Futures Markets – Feb. 28 at Greencreek Community Center and Feb. 29 at Hall’s Corner Bar and Brass Lantern in Genesee**, contact Ken Hart, 208-937-2311.
- **Succession/Estate Planning Three-Day Short Course – March 12, 13 and 15 in Moscow**, contact Ken Hart, 208-937-2311.