

Idaho Grain Market Report, Feb. 21, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Feb. 20, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.

<u>Barley (Cwt.)</u>			<u>Wheat (bu.)</u>		
Ashton	NQ	(2-R) \$13.00 (6-R) \$13.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$12.00	(2-R) NQ (6-R) NQ	\$7.70	\$7.30	\$7.75
Idaho Falls	\$12.25	(2-R) \$13.25 (6-R) \$13.25	\$7.85	\$7.44	\$7.85
Blackfoot / Pocatello	NQ	(2-R) \$13.00 (6-R) \$13.00	NQ	NQ	NQ
Grace / Soda Springs	\$11.61	(2-R) NQ (6-R) NQ	\$8.10	\$7.51	\$7.83
Burley / Rupert	\$12.25	(2-R) \$13.25 (6-R) \$13.25	\$8.00	\$7.50	\$7.91
Hazelton					
Twin Falls / Eden / Buhl	\$12.45-\$12.50	(2-R) NQ (6-R) NQ	\$7.70-\$8.00	NQ	NQ
Weiser	\$12.94	(2-R) NQ (6-R) NQ	\$7.88	NQ	NQ
Nez Perce / Craigmont	\$10.85	(2-R) \$10.85 (6-R) \$10.85	\$7.99	\$8.40	\$8.64
Lewiston	\$11.10	(2-R) \$11.10 (6-R) \$11.10	\$8.23	\$8.59	\$8.83
Moscow / Genesee	\$10.90-\$12.00	(2-R) \$10.90 (6-R) \$10.90	\$8.00-\$8.70	\$8.36-\$9.02	\$8.60-\$9.40

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 \$8.53-\$8.78 ½ Aug NC \$7.76 ¼ - \$8.01 ¼	Feb \$8.82 ¼ -\$9.07 ¼ Aug NC \$8.53 ¼ - \$8.73 ¼	Feb \$9.22 ¾ -\$9.45 ¾ Aug NC \$9.25 ¾ - \$9.35 ¾
Los Angeles	\$15.40	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.40	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$7.37-\$7.71	\$7.99-\$8.30
Minneapolis	\$10.73	NQ	\$14.69	NQ	\$8.32 ¼ (12%)	\$9.40 ¾

Market trends this week

BARLEY – Local barley prices were slightly higher this week with no change to 10 cents higher reported in southern Idaho and no change reported in northern Idaho. USDA will not report weekly export sales until tomorrow due to Monday's President's Day holiday.

WHEAT – Local wheat prices were mixed this week: SWW ranged from 20 cents lower to 10 cents higher; HRW ranged from 5 cents lower to 10 cents higher; and DNS ranged from 9 cents lower to 16 cents higher. Wheat export shipments last week were better than expected last week, totaling 825 TMT, up 20% from the previous week. Wheat export sales won't be reported until Friday due to Monday's holiday.

USDA Outlook Conference Projections – 2013 wheat acres are projected at 56 million, up 0.5% from last year, and production at 2.1 billion bu, down 7%. USDA is projecting the average farm-gate wheat price at \$7.00/bu.

Wheat Competitor/Buyer News – Indian government has floated a proposal to allow private companies to export up to 5 MMT of wheat from government reserves. The EU approved export licenses for 589 TMT of wheat this week, bringing their cumulative wheat exports to 12.7 MMT. Iraq purchased 300 TMT of Australian wheat and Iran purchased 180 TMT of

Australian wheat this week. Reports indicated that China purchased 350 TMT of US wheat, 400 TMT Australian and 100 TMT Canadian wheat in the last 10 days.

CORN – Corn export sales last week continued at a lackluster pace at only 241 TMT, down 36% from the previous week. Cumulative corn export shipments now total 37.5% of the USDA estimate for the year, compared to a 5-year average of 43%.

USDA Outlook Conference Projections – 2013 U.S. corn acres are projected at 96.5 million, down 1% from last year, and production at 14.53 billion bu, up 35%. USDA is projecting the average farm-gate corn price at \$4.80/bu.

Ethanol corn usage – DOE's Energy Information Agency reported another uptick in weekly U.S. ethanol production to 789,000 bbls per day, up 1.9% from the previous week but down 15% from a year ago. Corn used for ethanol last week totaled 82.9 million bu, below the weekly pace of 87.4 million bu needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

Futures market activity this week

Global macro-economic trends – Germany reported their investor confidence index moved to the highest level in 3 years in February at 48.2 vs. 31.5 the previous month.

U.S. economic watch – This week brought a spate of disappointing U.S. economic news...weekly jobless claims rose by 20,000 to 360,000, the highest level in 6 weeks; Philadelphia Federal Reserve district showed an unexpected decline in its monthly business outlook survey (-12.5 vs. expected +1.5); National Assoc. of Realtors reported existing home sales rose only 0.4% in January, with the inventory of homes dropping to the lowest level in 13 years; and finally new housing starts fell by 8.5% last month.

WHEAT – Wheat closed down double digits on Tuesday on expectations of significant moisture in both the Western and Eastern Plains this week, helping to ease drought concerns in the winter wheat crop. Higher than expected weekly export inspections provided some support. Wheat turned higher on Wednesday on confirmation of U.S. wheat sales to both China and Egypt. There had been rumors circulating in the market for the past couple weeks that China was shopping for wheat but confirmation remained elusive until overnight reports of purchases of 350 TMT of U.S. wheat, 100 TMT of Canadian wheat and 400 TMT Australian wheat. Egypt purchased 60 TMT of U.S. soft red winter wheat. Wheat closed down double digits today (Thursday), under pressure from crop friendly rain and snow blanketing drought-stricken winter wheat regions. **Wheat market closes on Thursday, 2/21/13 ...**

	Mar 2013	Weekly Summary	May 2013	Weekly Summary	Dec 2013	Weekly Summary
Chicago	\$7.21 ¼	Down \$0.21	\$7.24	Down \$0.24 ½	\$7.50	Down \$0.22 ¼
Kansas City	\$7.57 ¼	Down \$0.20 ¼	\$7.67 ¼	Down \$0.21 ½	\$8.05	Down \$0.20 ½
Minneapolis	\$8.06 ½	Down \$0.17	\$8.17 ¾	Down \$0.22	\$8.37 ¾	Down \$0.22 ¼
DNS						

CORN –Corn started the week with modest losses, failing to follow soybeans which closed sharply higher on a resumed export sales to China now that the Chinese New Year celebrations have passed. A more favorable weather forecast calling for widespread moisture across the Central U.S. provided pressure. Corn posted moderate gains on Wednesday-following soybeans higher - with additional support from firm cash markets. But gains could not be sustained as prices finished lower today (Thursday, under pressure from sharply lower wheat, lackluster ethanol demand and a bearish USDA Outlook Conference crop projection of 14.35 billion bu, up 35% from last year. **Corn futures contract closes on Thursday, 2/21/13 for Mar 2013 at \$6.90 ¾, down \$0.08, May 2013 contact at \$6.85 ½, down \$0.11 ½ and the Dec 2013 contact at \$5.54, down \$0.09 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices traded mostly lower this week on mixed economic news...prices moved \$.80 higher on Tuesday to close at \$96.66 supported by positive economic readings from Germany, but then chopped sharply lower on both Wednesday and Thursday on a spate of weaker than expected European and U.S. economic data. DOE's weekly crude oil inventory report showed bearish crude oil stocks, climbing by more than 4 million bbls compared to an expected build of 2.0 million bbls; distillates stocks fell by 2.3 million bbls; and gasoline stocks fell by 2.9 million bbls. **Crude oil prices fell \$2.38 to close at \$92.84 today (Thursday).**

U.S. crop weather – A major winter storm swept across the Rockies into the Central Plains mid week, leaving significant moisture in parts of Colorado, Nebraska, Kansas and Oklahoma. Another storm is expected to move through this region beginning Saturday. This beneficial moisture is not enough by itself to break the persistent drought but in some areas it appears the moisture deficit will be reduced by 15% to 25%. The 6-10 day outlook shows above normal precipitation for the Western Corn Belt as the second storms moves out of the Plains, but then drier weather moves back into the Plains and WCB.

Argentina / Brazil – Rains were limited across the drought-challenged cropping areas of Argentina with rain showers moving mostly northward. Meanwhile, Southern Brazil continued to see beneficial showers, moving northward into areas that have been too wet recently. Further harvest delays in the Mato Grosso region could create problems with seeding second crop corn.

Lewiston Grain Marketing Workshop on Monday, Feb. 25, 8 AM to 4 PM

–featuring Kansas State Ag Economist Art Barnaby on **Risk Assessed Grain Marketing: Integrating Grain Marketing and Crop Insurance into a Comprehensive Risk Management Strategy**. Cost: \$25 per person. **Pre-registration is requested by February 22** by calling Lewis County Extension Office – Ken Hart at 208-937-2311.

Farm Succession & Estate Planning Course – Idaho Falls, ID (Feb. 28 through March 21) -

The University of Idaho Extension is offering a 4-week course for any operation that will undergo a change of leadership from one generation to another within the next few years.

Topics in this course will include:

- Starting the Conversation
- Succession Planning – Passing the farm to the next generation.
- Retirement Planning – How can we pay for retirement?
- Estate Planning Tools – Trusts, Wills, Probate, Estate Taxes, Gifting, Business Structure, and many others.
- Guest Speakers: Accountant, Attorney, Insurance/Financial Planner

Location & Time: Bonneville County Extension Office – 2925 Rollandet, Idaho Falls

Dates: February 28, March 7, 14, 21, 2013 **Time:** 10:00 AM – 3:00 PM

Cost: \$100 per operation (includes lunch and class materials)

Pre-registration is requested by February 25. Please call the Teton County Extension Office 208-354-2961.

Grain Marketing Webinars are available on-line...

- **NEW...February 8, 2013 - Global Grain Market Outlook** - presented by Kelly Olson, Idaho Barley Commission at <http://connect.cals.uidaho.edu/p89861735/>
- **Jan. 17, 2013 - How to Hedge Grain Prices Using Recurring Trends & Market Cycles** - presented by Lan H. Turner, Gecko Software, Inc at <http://connect.cals.uidaho.edu/p71004116>
- **Nov. 20, 2012 - Executing a 2012/13 Grain Marketing Plan** – presented by Craig Corbett and Carley Garner, commodity broker, Las Vegas, NV at <http://connect.cals.uidaho.edu/p20437593/>
- **Oct. 30, 2012 - 2012/13 Grain Market Outlook & Understanding Technical Trends** – presented by Kelly Olson and Craig Corbett, Grace, ID at <http://connect.cals.uidaho.edu/p47995616/>