

Idaho Grain Market Report, February 26, 2009
 Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 25, 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	\$6.25	(2-R) NQ (6-R) NQ	\$4.40	\$4.95	\$6.60
Idaho Falls	\$6.00	(2-R)\$8.44-\$8.50 (6-R)\$8.44	\$4.55	\$4.92	\$6.48
Blackfoot / Pocatello	\$5.80	(2-R) \$8.50 (6-R) \$8.50	\$4.40	\$4.63	\$6.50
Grace / Soda Springs	\$6.18-\$6.50	(2-R) NQ (6-R) NQ	\$4.28	\$4.80	\$6.50
Burley / Rupert	\$5.75-\$6.00	(2-R) \$8.44 (6-R) \$8.44	\$4.10-\$4.30	\$4.74	\$6.37
Hazelton					
Twin Falls / Eden / Buhl	\$6.20-\$7.00	(2-R) NQ (6-R) NQ	\$4.06-\$4.20	NQ	NQ
Weiser	\$6.80	(2-R) NQ (6-R) NQ	\$4.49	NQ	NQ
Nez Perce / Craigmont	\$4.13	(2-R) \$5.63 (6-R) \$5.63	\$4.96	\$5.57	\$7.18
Lewiston	\$4.58	(2-R) \$6.08 (6-R) \$6.08	\$5.15	\$5.76	\$7.37
Moscow / Genesee	\$4.18-\$6.00	(2-R) \$5.68 (6-R) \$5.68	\$4.92-\$5.75	\$5.53-\$6.24	\$7.14-\$7.81

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 \$5.50-\$5.70 Mar \$5.55-\$5.69	Feb \$5.99-\$6.24 Aug NC \$6.12-\$6.27	Feb \$7.73-\$7.83 Aug NC \$6.77-\$6.82
Los Angeles	\$8.20	NQ	NQ	NQ	NQ	NQ
Stockton	\$9.00	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.40	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$2.75-\$3.95	NQ	\$7.50	NQ	\$4.60-\$4.83	\$6.65-\$7.03
Minneapolis	\$4.90	NQ	NQ	NQ	\$6.10 ¾ (12%)	\$7.42 ¾ - \$7.47 ¾

Market trends this week

BARLEY – Local barley prices were mixed, ranging from 25 cents higher to 15 cents lower this week. USDA reported a total of .3 TMT in export sales for Taiwan last week. Barley export shipments totaled 1.3 TMT for Canada last week.

WHEAT – Local wheat prices were mostly higher this week: SWW ranged from 25 cents higher to no change; HRW ranged from 30 cents higher to 10 cents higher; and DNS from 15 cents higher to 8 cents lower. U.S. wheat export sales last week were above trade expectations at 465.4 TMT, up 7% from the previous week, and 56% from the prior 4-week average. Export shipments last week totaled 297 TMT, up 18% from the week before, however they were down 22% above the prior 4-week average. Cumulative U.S. wheat export sales now stand at 88.1% of USDA's forecast for the marketing year, compared to five-year average of 85.7%.

Wheat Competitor/Buyer News – China purchased 30 TMT of U.S. soft red winter wheat late last week. Egypt (240 TMT) and Syria (200 TMT) both purchased Russian wheat this week. Pakistan reportedly has given up on its efforts to

purchase 250 TMT U.S. soft white wheat using U.S. export credits and has asked that the credits be transferred for use to purchase other commodities. Iran is projecting they will need to import as much as 4 to 5 MMT of wheat this year due to drought, after being self sufficient in wheat production as recently as 2004.

CORN – Corn export sales were below trade expectations at 448.9 TMT, down 66% from the previous week and 65% below prior 4-week average. Export shipments last week totaled 771.7 TMT, which were down 15% from the previous week, however they were up 4% from the prior 4-week average. Cumulative U.S. corn export sales now stand at 63.4% of USDA's forecast for the marketing year, compared to five-year average of 66.8%.

Corn Competitor/Buyer News – South Korea purchased 224 TMT U.S. corn this week. Two South Korean grain importing groups have asked the U.S. for an additional \$810 million in export credits, which if accepted would make this year's total the biggest ever for South Korea. The Korea Feed Association, the country's largest feed grain importer, and the Korea Flour Mills Industrial Association requested the export credits be raised after using up the \$600 million already granted for the year. Iran is tendering to import 100-110 TMT of corn for their state feed agency.

Futures market activity this week

Markets continued to be pummeled by renewed worries about the financial sector combined with an ongoing lack of confidence that the government's response will be adequate to reverse the deepening recession. For now, commodity futures remain vulnerable to liquidation pressures in equity and energy markets. On a positive note, Federal Reserve Chairman Ben Bernanke spoke optimistically this week in testimony before Congress that the U.S. economy had potential to turn the corner by the end of this year and begin to show positive growth in early 2010.

Wheat – Wheat futures began the week lower under pressure from a higher dollar and weakness in outside markets. Prices turned higher on Tuesday on short covering and spillover support from a lower dollar and strong gains in the stock market. Continuing dryness in the US HRW belt also provided underlying support (Texas reported their winter wheat crop is now rated 58% poor/very poor, down from 64% last week). Wheat continued to trade higher on Wednesday despite a higher dollar. Wheat finished mostly lower today (Thursday) under spillover pressures. MGE spring wheat contract closed higher with support from USDA's projected acreage decline this year. **Wheat market closes on Thursday, 2/26**

	Mar 09	Weekly Summary	May 09	Weekly Summary
Chicago	\$5.14	Down \$.05 ¼	\$5.25	Down \$.05 ½
Kansas City	\$5.54 ¼	Down \$.02	\$5.62	Down \$.01 ½
Minneapolis DNS	\$6.26 ¼	Up \$.03	\$6.08 ½	Up \$.02 ¾

Corn – Corn prices began the week modestly higher on short covering and higher crude oil. Corn continued to trade higher through the week, with gains attributed to technical buying and support from higher crude oil and a lower dollar. Corn has moved above near-by trend line resistance, which opens the door for more technical buying. Corn closed today moderately lower today (Thursday) under pressure from a disappointing export sales report and USDA's outlook projections released today which peg corn acreage about steady with last year compared to trade expectations of lower corn acreage. **Mar 09 corn contract closed on Thursday, 2/26, at \$3.62, up \$.11 ¾ for the week and the May 09 contract at \$3.70 ½, up \$.10 ½ for the week.**

Other Major Factors to Watch

- § **USDA's 2009 acreage outlook** – At 2009 Outlook Forum being held today and Friday in Virginia, USDA is pegging U.S. corn acres will remain steady at 86.0 million this year; wheat acres will decline 8% to 58.0 million (implies spring wheat acres will decline by 1.0 million); and soybean acres will increase 2% to 77.0 million.
- § **Crude oil** – Crude oil posted an impressive rally this week, topping \$45/bbl. Gains were reinforced by the government's weekly inventory report on Wednesday which showed a smaller than expected build in inventories (717,000 barrels versus expectations of 1.25 million barrels).
- § **International Weather/Crop Watch** –
 - **La Nina developments** – there are recent signs that the current La Nina weather pattern is weakening and may be neutral by spring. But at current readings, history shows years that best correlate to current conditions show a tendency toward warmer and drier conditions in the Plains which could pose a threat to winter wheat yield potential.
 - **Round-up of winter moisture conditions in key growing regions** – dryness concerns have been noted for the U.S. Southern Plains, Canadian prairies, North China Plain, Russia's Volga Valley and southern Australia. China's winter wheat belt saw additional moisture this week but the northern third of the wheat belt is considered to be under stress.
 - **South American corn/soybeans** – Conditions were mostly dry this week and somewhat cooler, but precipitation is expected to return by Sunday. The 8-14 day outlook shows dry weather returning. Less than 20% of the grain belt is now believed to be under moisture stress.