

# Idaho Grain Market Report, February 27, 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 26, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u> <u>FEED</u>	<u>MALTING</u>	<u>Wheat (bu.)</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	\$5.88	\$6.78	\$6.55
Idaho Falls	\$8.00	(2-R) \$11.50 (6-R) \$11.50	\$6.15	\$6.77	\$6.84
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.10	\$7.18	\$7.32
Grace / Soda Springs	\$7.75	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$7.50-\$7.75	(2-R) \$11.50 (6-R) \$11.50	\$5.95-\$6.25	\$6.70	\$6.89
Twin Falls / Eden / Buhl	\$8.75	(2-R) NQ (6-R) NQ	\$5.60	NQ	NQ
Weiser	\$8.00	(2-R) NQ (6-R) NQ	\$6.34	NQ	NQ
Nez Perce / Craigmont	\$6.50	(2-R) \$6.50 (6-R) \$6.50	\$6.22	\$7.39	\$7.55
Lewiston	\$7.30	(2-R) \$7.30 (6-R) \$7.30	\$6.53	\$7.70	\$7.01
Moscow	\$6.90	(2-R) \$6.90 (6-R) \$6.90	\$5.87-\$6.30	\$7.04-\$7.47	\$7.20-\$7.63

## 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	Mar \$7.20 ½ - \$7.34 Aug NC \$6.79 ¼ - \$6.89 ¼	Mar \$8.40-\$8.50 Aug NC \$8.24 ¼ - \$8.36 ¼	Mar \$8.49 ½ - \$8.54 ½ Aug NC \$7.45½-\$7.65½
Los Angeles	\$11.20	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$11.20	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$6.25-\$6.50	NQ	\$9.50	NQ	\$6.61-\$6.69	\$6.80-\$6.87
Minneapolis	\$7.71	NQ	\$11.77	NQ	\$8.15 (12%)	\$8.94 ½-\$9.34 ½

## Market trends this week

**BARLEY** – Local barley prices were steady this week with southern Idaho locations reporting no change and northern Idaho also reporting no change to 25 cents higher. USDA reported that export sales last week totaled .1 TMT in MY 2013/14 for South Korea and .2 TMT in MY 2014/15 for the Philippines. Barley export shipments totaled .3 TMT for South Korea.

**WHEAT** – Local wheat prices were mixed again this week: SWW ranged from 5 cents lower to 20 higher; HRW ranged from 13 cents lower to 74 cents higher; and DNS ranged from 44 cents lower to 55 higher. USDA reported wheat export sales last week were above trade expectations at 564.9 TMT (365.1 TMT for MY 2013/14 and 199.8 TMT for MY 2014/15), down 14% from the previous week and 39% from the prior 4 week average. Cumulative wheat export sales

have reached 87.8% of the USDA estimate for the year, compared to 84.1% on 5-year average. Wheat export shipments last week also were solid at 547.4 TMT, up 97% from the previous week and 54% from the prior 4 week average.

**International Grains Council's first estimates for WHEAT in MY 2014/15 –**

- Global wheat area is expected to rise in 2014/15, production is likely to fall by 2% y/y on a return to more normal yields from the previous season's exceptional results.
- Large beginning stocks will boost total supplies in 2014/15, but consumption is expected to absorb output, leaving carryover stocks at the end of the year almost unchanged.
- Trade is likely to fall slightly from this year's high, assuming that the quality of China's domestic crop is restored.

**Wheat Competitor/Buyer News –** The European Union approved 932 TMT of soft wheat for export this week. Argentina approved 500 TMT of wheat export licenses this week. Private Egyptian buyers cancelled 110 TMT purchase of US SRW wheat. Egypt bought 295 TMT of wheat on a snap tender this week, after lower prices on Wednesday, but none was U.S. origin. USDA Ag Attached raised their Saudi Arabian wheat import estimate from 2.7 MMT to 3.03 MMT.

**CORN –** Corn export sales were above trade expectations last week at 842.3 TMT for (840.8 TMT for MY 2013/14 and 1.5 TMT for MY 2014/15), up 22% from the previous week, but down 39% from the prior 4 week average. Cumulative corn export sales have reached 88.9% of the USDA estimate for the year, compared to 71.1% on 5-year average. Corn export shipments were also strong last week at 853.1 TMT, up 15% from the previous week, but down 1% from the prior 4 week average.

**International Grains Council's first estimates for CORN in MY 2014/15 –**

- The MY 2014/15 corn crop is tentatively projected to contract marginally as yields decline to more normal levels.

**Ethanol corn usage –** DOE's Energy Information Agency reported another modest uptick in U.S. ethanol production last week – up 2,000 bbls to 905,000 bpd – up 0.22% from the previous week and up 11.45% from last year. Corn used for ethanol totaled 95.03 million bu, still lagging behind the weekly pace of 97.4 million bu needed to meet the USDA projection of 5.0 billion bu for the marketing year.

**Corn Competitor/Buyer News –** USDA reported a sale of 101.6 TMT of unknown destination this week and 284.4 TMT old crop sales to Mexico.

**Futures Market trends this week**

**U.S. economic news –** New Fed Chairman Janet Yellen stated in congressional testimony this week that the Fed was closely monitoring recently mixed economic signals that point to a potential slow-down in economic growth. On the positive side, 4<sup>th</sup> quarter 2013 corporate earnings were generally better than expected and new home purchases unexpectedly climbed last month to the highest level in 5 years, posting gains of 9.6% against an expected decline of 3.4%. The Case Shiller Home Price Index also showed another robust jump in home prices – up 13.4% after a previous month gain of 13.7%. Durable goods orders came in slightly better than expected this week at -1.0% compared to an expected -1.6%. On a softer tone, recent Fed Manufacturing Surveys have fallen short of expectations underscoring concern about manufacturing activity and a softening labor market in that important sector. Weekly first time unemployment claims unexpectedly increased by 14,000 to 348,000, the highest level in a month. The Conference Board's Consumer Confidence index also slipped to 78.1 from 79.4. While economists differ on their views about these recent signals, many think we are seeing a "pause" and not an overall change in economic sentiment.

**WHEAT –** Wheat prices took a wild ride this week...moving sharply higher to start the week on aggressive buying and short covering sparked by positive technical trends and another winterkill threat to unprotected winter wheat this week. Wheat finished mixed on Tuesday in the face of little fresh supportive news. Weather concerns for U.S. winter wheat continued to provide some underlying support. Wheat prices fell double digits on Wednesday on talk of overdone gains which have pushed U.S. prices to levels that are not competitive on the world market, as well as increasing protective snow cover which is reducing winterkill threats. Wheat prices finished sharply lower today (Thursday) on a lack of follow-through short covering and concern that higher prices will slow exports. **Wheat market closes on Thursday, 2/27/14 ...**

	<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	\$5.82 ¼	Down \$.27 ½	\$5.89 ¼	Down \$.16 ¼	\$6.16 ¼	Down \$.14 ¼
KC HRW	\$6.62 ¼	Down \$.20 ½	\$6.65 ½	Down \$.10	\$6.79 ¾	Down \$.04 ¼
MGE DNS	\$6.55 ½	Down \$.08 ¾	\$6.43 ¼	Down \$.06 ¾	\$6.63	Down \$.07

**CORN –** Corn closed mixed to fractionally lower to start the week under the weight of increased producer selling and

concerns about increasing supplies in 2014. Corn rebounded on Tuesday, posting gains on short covering triggered by positive technical trends and ideas that prices need to work higher to attract acres away from soybeans, which are currently enjoying a 2.5 favorable ratio over corn. Corn posted fractional losses on Wednesday in choppy two-sided action, after failing to sustain early gains to the highest prices since late last October. Corn prices finished sharply lower today (Thursday) despite another week of strong corn export sales, as Wednesday's weaker close sparked aggressive selling pressure. **Corn futures contract closes on Thursday, 2/27/14 for Mar. 2014 contract at \$4.48, down \$0.05 for the week, May 2014 contract closed at \$4.54 ½, down \$0.04 ½ and the Dec. 2014 contract closed at \$4.61, down \$0.03 ¼ for the week.**

#### **OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil chopped in a narrow channel this week, with support from declining stockpiles at Cushing, OK, offset by nervousness about conflicting economic signals. DOE's weekly inventory report showed crude oil stocks increased by 68,000 bbls last week, compared to an expected build of 1.25 million bbls; distillates increased by 338,000 bbls, compared to expected decline of 1.25 million bbls; and gasoline stocks fell by 2.807 million bbls, compared to an expected decrease of 760,000 bbls. **Crude oil futures finished down \$0.19 today to close at \$102.40/bbl.**

#### **INTERNATIONAL WEATHER / CROP PROGRESS -**

**South America** – Rain moved out of Argentina into dry areas of Southern and Central Brazil, causing some minor delays in soybean harvest and second crop corn planting.

## **IBC Educational Webinars**

**March 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 Dr. Howard Neibling, UI, “Irrigation Efficiencies in a Water Short Year” presented by Dr. Howard Neibling, UI Kimberly. Link at <http://connect.cals.uidaho.edu/p88owiek00j/>

**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/>

**March 6 Direct Seed Conference in Idaho Falls...**The Idaho Wheat Commission will hold its annual South Idaho Direct Seed workshop on Thursday, March 6 at the Hotel on the Falls Convention Center (475 River Parkway, Idaho Falls). To register or for more information contact Tereasa Waterman [ts@idahowheat.org](mailto:ts@idahowheat.org) or call the Wheat Commission office at (208) 334.2353. Registration will begin at 9:00 am. The workshop will run from 9:30 am to 2:30 pm. Topics include: 2014 Water Outlook; Water Drives Everything so Make Every Drop Count; Balancing The 7Rs of Yield, Quality and Maturity: The Right Roots, Shoots, Rates, Sources, Placements, Timings and Synergies; Cover Crops in Low Rain-Fed Regions; and Best Management Practices in a Drought Year.