

Idaho Grain Market Report, March 1, 2012

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 29, 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) \$12.00 (6-R) \$12.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$10.00	(2-R) NQ (6-R) NQ	\$6.10	\$6.39	\$8.18
Idaho Falls	\$10.00	(2-R) \$12.50-\$13.02 (6-R) \$13.02	\$6.10	\$6.38	\$8.11
Blackfoot / Pocatello	\$9.37	(2-R) \$12.00 (6-R) \$12.00	\$6.15	\$5.91	\$7.65
Grace / Soda Springs	\$10.89	(2-R) NQ (6-R) NQ	\$6.30	\$6.18	\$7.92
Burley / Rupert	\$9.50	(2-R) \$13.02 (6-R) \$13.02	\$6.00-\$6.05	\$6.21	\$7.94
Hazelton					
Twin Falls / Eden / Buhl	\$10.00-\$10.50	(2-R) NQ (6-R) NQ	\$5.70-\$6.00	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.19	NQ	NQ
Nez Perce / Craigmont	\$8.85	(2-R) \$8.85 (6-R) \$8.85	\$6.59	\$7.21	\$8.85
Lewiston	\$9.10	(2-R) \$9.10 (6-R) \$9.10	\$6.78	\$7.40	\$9.04
Moscow / Genesee	\$8.90-\$10.25	(2-R) \$8.90 (6-R) \$8.90	\$6.55-\$7.20	\$7.17-\$7.83	\$8.81-\$9.45

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	Mar \$7.00-\$7.25 Aug NC \$6.65-\$6.75	Mar \$7.87-\$7.94 Aug NC \$7.50-\$7.60	Mar \$9.46-\$9.61 Aug NC \$8.74-\$8.84
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$11.00	NQ	NQ	\$6.50	\$6.39	\$8.09
Great Falls	\$8.00-\$9.00	NQ	\$11.50	NQ	\$5.42-\$5.96	\$8.29-\$8.43
Minneapolis	\$11.25	NQ	\$14.69	NQ	\$7.68 (12%)	\$9.26-\$9.66

Market trends this week

BARLEY – Local barley prices were mostly higher this week, ranging from 20 cents lower to 10 cents higher in southern Idaho and 25 cents higher in northern Idaho. USDA reported that export sales totaled 2.1 TMT for Japan and Taiwan and export shipments totaled 2 MT for Taiwan.

WHEAT – Local wheat prices were also mostly higher this week: SWW ranged from 5 to 25 cent higher; HRW ranged from 8 to 20 cents higher; and DNS ranged from 13 cents lower to 6 cents higher. USDA reported wheat export sales last week were below trade expectations at 509.1 TMT (414.1 TMT for MY 2011/12 and 95 TMT for MY 2012/13), down 41% from the previous week, and 30% from the 4-week average. Cumulative U.S. wheat export sales have reached 90.1% of the total projected for the year compared to a 5-year average of 86.7%. Wheat export shipments totaled 205.8 TMT, down 61% from the previous week and 57% from the 4-week average.

Wheat Competitor/Buyer News – European wheat trade is now suggesting that France has lost as much as 1 MMT of its winter wheat crop to recent adverse weather. The EU granted export licenses this week for 429 TMT of wheat, bringing

their cumulative wheat exports to 9.1 MMT this marketing year compared to 13.8 MMT a year ago. USDA reported a sale of 120 TMT of US HRW wheat to Iran today.

CORN – Corn export sales last week were below expectations at 713 TMT (690 TMT for MY 2011/12 and 23 TMT for MY 2012/13). China was listed as buyer of 122 TMT of US corn. Cumulative U.S. corn export sales have reached 71.5% of the total projected for the year compared to a 5-year average of 66.6%. Corn export shipments last week totaled 818.1 TMT, which was up 5% from the previous week and 2% from the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production totaled 896,000 bbls per day last week, down 2.5% from the previous week but up 1.6% from last year. Corn used for ethanol last week totaled 95.44 million bu, still above the weekly pace of 94.3 mbu needed to reach USDA's usage estimate of 5.0 billion bushels for the year.

Corn Competitor/Buyer News – Reports indicate that China's northeastern production region which annually produces about 25% of its total grain is experiencing its driest winter in 62 years. Reports also indicate this week that Argentina is not likely to be an aggressive corn exporter to China until later in the year after it can fully assess its actual 2011/2012 corn harvest.

Futures market activity this week

Macroeconomic news – Investor attitude towards European economic growth and debt has improved slightly, boosted by a very large infusion of capital into European banks by the European Central Bank this week.

U.S. economic news – U.S. economic outlook continued on a steady positive path this week with some good news...Q\$2011 US GDP growth was revised higher to 3%, the best quarterly growth since Q2 2010 when growth was 3.8%. Weekly unemployment claims also continued its downward trajectory this week, falling another 2,000 to 351,000.

WHEAT – Wheat opened the week with moderate gains, bolstered by spillover from strong soybean rally and a supportive turnaround in outside markets which prompted short-covering. Wheat posted strong double digit gains on Tuesday on support from improving outside markets and spillover from higher soybeans and corn. Wheat prices finished narrowly mixed on Wednesday in choppy trading as outside markets turned negative mid-session, including a higher US dollar. Wheat posted mixed results today (Thursday), with CHI and KCBT closing modestly lower on ideas that these markets are overbought technically, while MGE moved strongly higher on concerns about tightening supplies of milling quality wheat. **Wheat market closes on Thursday, 03/01/12...**

	Mar 2012	Weekly Summary	May 2012	Weekly Summary
Chicago	\$6.59¼	Up \$0.16	\$6.64	Up \$0.22¾
Kansas City	\$6.97	Up \$0.16	\$7.06	Up \$0.17¾
Minneapolis DNS	\$8.14	Up \$0.27½	\$8.17	Up \$0.24½

CORN – Corn posted modest gains on Monday, overcoming early session anxiety over a stronger dollar to close at the highest level in 3 weeks. A strong rally in soybeans was the main supportive feature. Corn continued to push strongly higher on Tuesday with support from tight cash markets, a sharp break in the US dollar and rebound in equities. Corn finished with modest gains in choppy, two-sided trading on Wednesday, as early fund buying eased back mid-session under profit-taking pressures. Corn chopped lower today (Thursday), under pressure from some early uncertainties in the outside markets and talk of short-term overbought technical condition. Disappointing export sales also provided underlying pressure. **Near-by corn futures support level is at \$6.50 and resistance at \$6.66. Mar 2012 corn futures contract closed Thursday, 03/01/12, at \$6.53½, up \$0.12¾ and the May 2012 contact closed at \$6.54, up \$0.10 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices eased back this week after last week's strong rally as concerns rose about the effects of higher prices on demand. Crude oil prices closed \$1.21 lower on Monday at \$108.56 under pressure from a stronger dollar. Prices continued to grind lower on Tuesday – closing down \$2.01 to \$106.55 under pressure from a 2% decline in Brent oil prices on fears that higher energy costs will further pressure European economic growth. Prices chopped slightly higher on Wednesday after drifted lower early in the session on a bearish weekly inventory report. DOE reported crude oil stocks increased more than expected last week – up 4.16 million bbls to the highest level in 5 months, compared to an expected build of 1.5 million bbls. Distillates fell by 2.069 million bbls and gasoline stocks fell by 1.6 million bbls. **Crude oil prices moved higher today – closing up \$1.77 to \$108.84** – on a boost in fear premium as headline reports indicated that Israel was going to test a ballistic interceptor missile. Strong Chinese manufacturing data also provided underlying support.

U.S. WEATHER / CROP WATCH – Central/Southern Plains – Only light moisture fell in some HRW production areas keeping most of the SW Plains excessively dry as the spring plant growth period begins. There appears to be sufficient moisture to sustain early spring plant growth but more moisture will be needed by the end of March to prevent yield losses in hard red winter wheat. There also is a growing concern that much of this week will exit dormancy early this year due recent warm/dry conditions, which could leave a big chunk of the winter wheat crop vulnerable to spring freezes. The 6-

10 day outlook is mostly dry with some light moisture expected at the end of this period. **Northern Plains/Western Midwest** – The Northern Plains received its first snowfall in many weeks with a strong storm system dumping several inches of snow early this week. **Pacific Northwest** – Dry areas of the PNW also received beneficial rain and snowfall this week.

INTERNATIONAL WEATHER / CROP WATCH

- **Brazil/Argentina** – Some winter corn areas received beneficial moisture in Brazil this week, but stress remains for at least 15% of the winter corn crop. Argentina also picked up beneficial rains this week and rains are expected to return next week and again in the 6-10 day and 11-15 day outlooks. This should help boost second crop soybeans.
- **China** - Reports indicate that China's northeastern production region which annually produces about 25% of its total grain is experiencing its driest winter in 62 years.

Don't Miss Out...Succession/Estate Planning Three-Day Short Course for Farm and Ranch Operators in North Idaho – March 12, 13 and 15 in Moscow, contact Ken Hart, 208-937-2311.