

BARLEY CROP INSURANCE / RISK MANAGEMENT SEMINARS NEXT WEEK

Presented by Premier Insurance (Blackfoot) and Idaho Barley Commission

Barley Crop Insurance Updates / New Specialty Type Barley Policy – Tracy Hawker and Steve VanOrden

Malt Contract Pricing Strategies and Other Risk Management Tools – Kelly Olson and Craig Corbett

March 9 – 8:30 am at Trails Inn in Ashton, lunch will be served

March 10 – 8:30 am at Meridian Center, 310 N. Meridian St. (near CAL store), Blackfoot, lunch will be served

RSVP by calling Diane or Jessica at Premier Insurance, 208-782-1464.

Presented by Mountain States Insurance (Soda Springs) and Idaho Barley Commission

Barley Crop Insurance Updates / New Specialty Type Barley Policy – Mark Andreasen

Malt Contract Pricing Strategies and Other Risk Management Tools – Kelly Olson and Craig Corbett

March 11 – 8:00 am at Geyser View Restaurant, Soda Springs, breakfast will be served

RSVP by calling Kelly at Idaho Barley Commission, 208-334-2090.

Idaho Grain Market Report, March 4, 2010

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, March 3, 2010. Barley prices in \$/Cwt. and wheat prices in \$/bu.

Selected Locations	<u>Barley (Cwt.)</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) \$6.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.90	(2-R) NQ (6-R) NQ	\$4.20	\$4.12	\$5.50
Idaho Falls	NQ	(2-R) \$6.50-\$6.85 (6-R) \$6.50	NQ	NQ	NQ
Blackfoot / Pocatello	\$5.73	(2-R) \$6.50 (6-R) NQ	\$3.90	\$4.11	\$5.65
Grace / Soda Springs	\$6.19	(2-R) NQ (6-R) NQ	\$4.07	\$4.04	\$5.46
Burley / Rupert	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.95-\$4.00	\$4.13	\$5.42
Hazelton					
Twin Falls / Eden / Buhl	\$5.80-\$6.65	(2-R) NQ (6-R) NQ	\$3.50-\$4.00	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$3.74	NQ	NQ
Nez Perce / Craigmont	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.20	\$4.86	\$6.27
Lewiston	\$5.55	(2-R) \$5.55 (6-R) \$5.55	\$4.39	\$5.05	\$6.46
Moscow / Genesee	\$5.15-\$6.65	(2-R) \$5.15 (6-R) \$5.15	\$4.16-\$4.80	\$4.82-\$5.49	\$6.23-\$6.88

Trading Prices at Selected Terminal Markets, cash prices FOB

	<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>			
	#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 \$4.55-\$4.70 Aug NC \$4.65-\$4.70	Mar \$5.48-\$5.53 Aug NC \$5.62-\$5.67	Mar \$6.82-\$6.98 Aug NC \$6.30-\$6.50
Los Angeles	\$8.45	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.45	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.27	NQ	NQ	\$4.27	\$4.16	\$5.53
Great Falls	\$5.00-\$5.30	NQ	\$6.00	NQ	\$3.74-\$3.80	\$5.50-\$6.07
Minneapolis	\$4.90	NQ	NQ	NQ	\$5.05 (12%)	\$7.07-\$7.42

Market trends this week

BARLEY – Local barley prices were mixed, ranging from 6 cents lower to 30 cents higher in southern Idaho and 10 cents lower to unchanged in northern Idaho. USDA reported no barley export sales for last week, while barley export shipments totaled 1.1 TMT, for Canada and Taiwan.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from 15 cents lower to 10 cents higher; HRW ranged from 16 cents lower to 12 cents higher; and DNS ranged from 7 cents lower to 14 cents higher. U.S. wheat export sales last week were well below trade expectations at 101.6 TMT, down 73% from the previous week and 77% from the prior 4-week average. Export sales for MY 10/11 totaled 2.5 TMT. Wheat export shipments totaled 472.7 TMT, up 3% from the previous week and 10% from the prior 4-week average.

CORN – Corn export sales last week were above trade expectations at 761.4 TMT, up 90% from the previous week and unchanged from the prior 4-week average. Export sales for MY 10/11 totaled 72 TMT. Corn export shipments totaled 1.1 MMT, down 15% from the previous week, but up 17% from the prior 4-week average.

Futures market activity this week

WHEAT – Wheat began the week sharply lower on Monday, under pressure from a dollar rally, which triggered fund buying and accelerated losses from sell stops. Tuesday saw prices drift mostly sideways to fractionally lower under pressure from an early rally in the dollar followed by a dollar sell-off which triggered short covering in the wheat markets. Prices surged on Wednesday with support from a sharp break in the dollar index and more short covering. Wheat gave back all of Wednesday's plus some to finish sharply lower today (Thursday) on fund selling that was triggered by a sharp dollar rally and weaker than expected export sales. **Wheat market closes on Thursday, 3/4/10. Please note that we have shifted to reporting May and July contract closings...**

	<u>May 2010</u>	<u>Weekly Summary</u>	<u>July 2010</u>	<u>Weekly Summary</u>
Chicago	\$5.02 ¼	Down \$.17	\$5.14 ½	Down \$.16 ¾
Kansas City	\$5.07 ¾	Down \$.13 ¼	\$5.18 ½	Down \$.13 ¼
Minneapolis DNS	\$5.19 ¾	Down \$.09 ¾	\$5.30 ¼	Down \$.10 ¾

CORN – Corn began the week lower on Monday under pressure from a sharply higher dollar and lower energies. Corn traded both sides of unchanged on Tuesday in lackluster volume and little fresh news to jump-start a seasonal uptick. Prices pushed higher overnight and early into the Wednesday session but then trimmed some of its gains into the close, with support from higher crude oil and continued light farmer selling. Corn settled moderately lower today (Thursday) under pressure from fund selling and spillover pressure from deep losses in soybeans which saw an accelerated downdraft from sell stops. **May 2010 corn contract closed Thursday, 3/4/10, at \$3.83, down \$.06 for the week and the July 2010 contact closed at \$3.94, down \$.05 ¾ for the week.**

Near-term Commodity Outlook - Economic news continues to be mixed with volatility in the dollar index remaining quite high due to concerns about how European debt crises will be resolved, particularly in Greece. Investor's tolerance for risk seems to ebb and flow almost daily depending on where the dollar is headed. This in turn is causing high volatility in the commodity futures, particularly wheat.

Wheat – remains closely linked with the dollar index as it has very little underlying fundamental support on its own due to large carryover stocks overhanging both the domestic and global markets and relatively soft demand. A spring price rally depends largely on a jump in wheat exports as well as sustained investment money flow driven by a lower dollar. Technical support remains at the \$5/bu mark.

Corn – continues to work off of winter lows, with some seasonal support from a recent uptick in export demand and some early concerns about wet spring planting conditions in many areas. Debate is also heating up over the affects of lower quality in the 2009 corn crop, which may translate into higher livestock usage rates in the next two quarters and downward pressure on carryover stocks. Technical support remains at \$3.70/bu and resistance at \$3.92/bu.

Other Major Factors to Watch -

- **Crude Oil** – Crude oil chopped mostly higher this week to close just short of \$81/bbl on Wednesday despite another bearish weekly petroleum stocks report which shows inventories well above the 5-year average for this time of year. Wednesday's weekly inventory report was largely bearish...crude oil stocks saw an increase of 4.034 million bbls, compared to expected increase of 1.275 million bbls; distillates fell 843,000 bbls, compared to an expected draw of 1.05 million bbls; and gasoline stocks increased 773,000 bbls, compared to an expected increase of 300,000 bbls. Gasoline demand was reported to be up 1.1% compared to same period a year ago, which provides underlying support on the demand side.
- **U.S. weather** – A high pressure ridge brought a warming trend to much of the Midwest this week, allowing about half of the deep snow cover in the northwestern edge of the Corn Belt to melt and eased some flooding concerns. Above normal temperatures continued in the Pacific Northwest for the 4th consecutive week. Moisture was expected to return to the Southern Plains by this weekend and the 6-10 day outlook shows a wet trend in both the HRW wheat belt and possibly more snow in the Northwestern Plains, keeping flooding risks well above average. A colder pattern is expected for much of the Midwest for the remainder of March but a drier than normal pattern for April.

- **International weather / crop watch –**
 - **Canada** – Western Canadian Prairies remain very dry for this time of year with the driest areas seeing deficits in the 1 to 2.5 inches range and forecasts show drier than normal weather in both April and May.
 - **Europe** – Warm stormy weather was allowing snow cover to melt rapidly and hampered field work.
 - **Middle East** – Unseasonably warm wet weather pulled winter grains out of dormancy and was promoting favorable wheat and barley crop development.
 - **Northern Africa** – Locally heavy showers in Morocco maintained adequate to abundant soil moisture for reproductive winter grains.
 - **Argentina / Brazil** – Argentina was mostly dry with some scattered showers this week, allowing corn harvest to accelerate. Informa Economics now pegs the Argentine corn crop at 21 MMT, about the same as the Buenos Aires Grain Exchange but well above USDA's estimate of 17.2 MMT and last year's crop of only 12.6 MMT. Informa pegs the Brazilian corn crop unchanged at 53.3 MMT, above USDA's peg of 51 MMT.