

# Idaho Grain Market Report, March 6, 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, March 5, 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	\$6.25	\$6.88	\$7.20
Idaho Falls	\$8.00	(2-R) \$11.50-\$11.75 (6-R) \$11.50	\$6.25	\$6.87	\$6.83
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.35	\$7.49	\$7.63
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$7.50	(2-R) \$11.50 (6-R) \$11.50	\$6.25-\$6.30	\$6.92	\$7.08
Twin Falls / Eden / Buhl	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	\$8.75	(2-R) NQ (6-R) NQ	\$6.40	NQ	NQ
Nez Perce / Craigmont	\$6.50	(2-R) \$6.50 (6-R) \$6.50	\$6.28	\$7.69	\$7.70
Lewiston	\$7.30	(2-R) \$7.30 (6-R) \$7.30	\$6.72	\$8.13	\$8.14
Moscow / Genesee	\$6.10-\$6.45	(2-R) \$6.45 (6-R) \$6.45	\$5.97-\$6.36	\$7.35-\$7.77	\$7.39-\$7.78

## 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 \$7.30-\$7.40 Aug NC \$7.00-\$7.13 <sup>3</sup> / <sub>4</sub>	Mar \$8.50 <sup>1</sup> / <sub>4</sub> -\$8.70 <sup>1</sup> / <sub>4</sub> Aug NC \$7.78 <sup>1</sup> / <sub>2</sub> -\$7.93 <sup>1</sup> / <sub>2</sub>	Mar \$8.58 <sup>3</sup> / <sub>4</sub> -\$8.78 <sup>3</sup> / <sub>4</sub> Aug NC \$7.81-\$7.91
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	\$8.35	NQ	NQ	\$6.50	\$7.10	\$7.56
Great Falls	\$6.25-\$6.50	NQ	\$9.50	NQ	\$6.86-\$6.98	\$6.84-\$6.98
Minneapolis	\$7.71	NQ	\$12.50	NQ	\$8.30 <sup>1</sup> / <sub>4</sub> (12%)	\$9.38 <sup>3</sup> / <sub>4</sub> -\$9.78 <sup>3</sup> / <sub>4</sub>

## Market trends this week

**BARLEY** – Local barley prices were mostly higher this week with southern Idaho locations reporting between 25 cents lower and 75 cents higher; while northern Idaho reported between no change to 25 cents higher. USDA reported that there were no barley export sales or export shipments last week.

**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 cents higher. USDA reported wheat export sales last week were on the high end of 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 89.5% of the USDA estimate for the year, compared to 85.5% 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.

**Wheat Competitor/Buyer News** – The European Union approved 563 TMT of soft wheat for export this week, bringing cumulative export sales to 20.8 MMT compared to 13.7 MMT for the same period a year ago. Informa Economics has pegged the Indian wheat crop at a record 108 MMT, up nearly 16 MMT from the previous year. However, the Indian government has pegged their wheat crop at 95.6 MMT, and is projecting some possible damage from excessive rainfall as the crop matures and nears harvest. Iraq bought 200 TMT of Australian and Canadian wheat this week.

**CORN** – Corn export sales were well above trade expectations last week at 1.6 MMT for (1.5 MMT for MY 2013/14 and 164.5 TMT for MY 2014/15), up 81% from the previous week and 35% 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 1.1 MMT, up 33% from the previous week and 38% from the prior 4 week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported a decline in U.S. ethanol production last week – down 1.2% or 11,000 bbls to 894,000 bpd – but up 11% from last year. This decline is attributed to poor rail logistics in many areas which is backing up product movement and slowing production at many plants. Cumulative corn usage for ethanol production is still lagging the pace needed to meet the USDA projection of 5.0 billion bu for the marketing year.

**Corn Competitor/Buyer News** – The Ukrainian political situation has clearly caught the market's attention, as estimates suggest that Ukraine still has 3.5 MMT of corn left to ship this marketing year.

#### Futures Market trends this week

Volatility continued this week as fund money poured into grain commodities on concerns that Ukrainian political and currency instability warranted a risk premium on concerns about their ability to complete their export program this marketing year as well as prospects for 2014 new crop. Despite no evidence that the current political situation was affecting Ukraine's grain exports, uncertainties have drawn strong fund interest in wheat and corn.

**WHEAT – Wheat prices started the week with a bang, rallying to their best levels in at least 3 months, driven by fund buying sparked by Ukrainian uncertainties coupled with a solid U.S. export shipment pace thus far this year.**

Prices gained double digits on both Monday and Tuesday before settling mixed to lower on Wednesday on ideas that wheat markets were becoming overbought and due for a correction. Wheat prices finished moderately higher on Thursday on solid export sales and weather concerns about both U.S. winter wheat crop and expanding dryness in key areas of Ukraine. **Wheat market closes on Thursday, 3/06/14 ... please note shift to May and July contracts.**

	<b>May 2014</b>	<b>Weekly Summary</b>	<b>July 2014</b>	<b>Weekly Summary</b>	<b>Dec. 2014</b>	<b>Weekly Summary</b>
Chicago SRW	<b>\$6.46</b>	Up \$0.43 <sup>3</sup> / <sub>4</sub>	<b>\$6.49 <sup>1</sup>/<sub>2</sub></b>	Up \$0.41 <sup>1</sup> / <sub>4</sub>	<b>\$6.68 <sup>3</sup>/<sub>4</sub></b>	Up \$.39 <sup>3</sup> / <sub>4</sub>
KC HRW	<b>\$7.13 <sup>1</sup>/<sub>4</sub></b>	Up \$0.39 <sup>1</sup> / <sub>4</sub>	<b>\$7.05 <sup>3</sup>/<sub>4</sub></b>	Up \$0.35 <sup>1</sup> / <sub>4</sub>	<b>\$7.22</b>	Up \$.33
MGE DNS	<b>\$6.95 <sup>1</sup>/<sub>4</sub></b>	Up \$0.39	<b>\$6.89 <sup>1</sup>/<sub>2</sub></b>	Up \$0.35 <sup>1</sup> / <sub>4</sub>	<b>\$7.01 <sup>3</sup>/<sub>4</sub></b>	Up \$.28 <sup>3</sup> / <sub>4</sub>

**CORN – Corn also saw a strong bounce this week from fresh fund buying sparked by Ukrainian geo-political concerns, moving corn from a net short to a net long position for the first time in 8 months.** Corn posted strong gains early in the week, spiking to the highest levels in 6 months, on strong export inspections and questions about Ukraine's future export program, before settling mixed to moderately lower on Wednesday under the weight of increased farmer selling. Corn prices rebounded solidly higher on Thursday on strong technical buying and better than expected export sales. **Corn futures contract closes on Thursday, 3/06/14 for May 2014 contract at \$4.91, up \$0.27 <sup>1</sup>/<sub>2</sub> for the week, July 2014 contract closed at \$4.95 <sup>1</sup>/<sub>4</sub>, up \$0.27 <sup>3</sup>/<sub>4</sub> and the Dec. 2014 contract closed at \$4.89 <sup>1</sup>/<sub>4</sub>, up \$0.17 <sup>3</sup>/<sub>4</sub> for the week.**

#### OTHER MAJOR FACTORS TO WATCH –

**CRUDE OIL** – Crude oil prices also saw increased volatility driven by Ukrainian geo-political concerns, jumping to their highest levels in 5 months (just shy of \$105) before chopping mostly sideways on ideas that Ukrainian tensions were easing and markets were becoming overbought. DOE's weekly inventory report showed crude oil stocks were continuing to build during what is known as the shoulder season when demand usually tapers off before the key Memorial Day driving weekend. Crude stocks increased by 1.43 million bbls last week, mostly in line with expectations; distillates increased by 1.41 million bbls, compared to expected decline of 1.0 million bbls; and gasoline stocks fell by 1.6 million bbls, compared to an expected decrease of 1.0 million bbls. **Crude oil futures finished modestly lower to close at \$101.56 on Thursday.**

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

**South America** – Corn harvest has begun in Argentina but is advancing slowly.

**Ukraine** – Expanding signs of moisture deficits, as many areas have received only 30 to 50% of normal winter precipitation.

## **IBC Educational Webinars**

**RECORDED WEBINAR**...featuring Dr. Jay Parsons, “Right Risk: Evaluating Risk Management Options and Using Enterprise Risk Analyzer Tools.” Link at <http://connect.cals.uidaho.edu/>

**RECORDED WEBINAR**... featuring Dr. Howard Neibling, UI, “Irrigation Efficiencies in a Water Short Year.” 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/>