

Idaho Grain Market Report, March 11, 2010

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 10, 2010. 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) \$6.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.05	\$3.95	\$5.50
Blackfoot / Pocatello	\$5.73	(2-R) \$6.50 (6-R) NQ	\$3.90	\$3.90	\$5.49
Grace / Soda Springs	\$6.19	(2-R) NQ (6-R) NQ	\$3.89	\$3.75	\$5.30
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.95-\$4.00	\$3.86	\$5.21
Twin Falls / Eden / Buhl	\$5.80-\$6.65	(2-R) NQ (6-R) NQ	\$3.48-\$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	\$4.00	\$4.66	\$6.16
Lewiston	\$5.55	(2-R) \$5.55 (6-R) \$5.55	\$4.19	\$4.85	\$6.35
Moscow / Genesee	\$5.15-\$6.65	(2-R) \$5.15 (6-R) \$5.15	\$3.96-\$4.70	\$4.62-\$5.20	\$6.12-\$6.75

Trading Prices at Selected Terminal Markets, cash prices FOB

	Barley (Cwt.)		Wheat (bu.)			
	#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-\$4.65 Aug NC \$4.60-\$4.75	Mar \$5.18-\$5.23	Mar \$6.68-\$6.76 Aug NC \$6.05-\$6.25
Los Angeles	\$8.15	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.15	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.27	NQ	NQ	\$4.14	\$3.91	\$5.47
Great Falls	\$5.00-\$5.40	NQ	\$6.00	NQ	\$3.47-\$3.53	\$5.73-\$5.90
Minneapolis	\$4.58	NQ	NQ	NQ	\$4.84 ½ (12%)	\$6.96 ½ -\$7.16 ½

Market trends this week

BARLEY – Local barley prices were steady, no changes were reported in either southern or northern Idaho. USDA reported no barley export sales for last week, while barley export shipments totaled .2 TMT, for Mexico.

USDA's S&D Report for MY 2010 - BARLEY – Mar. 10 – USDA made only minor adjustments to this month's U.S. barley balance sheet – they cut imports by 5 million bu to 20 million bu and cut ending stocks by the same amount to 111 million bu. USDA also increased the farm-gate barley price projection to \$4.40-\$4.60/bu.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from unchanged to 20 cents lower; HRW ranged from 20 to 29 cents lower; and DNS ranged from 11 to 21 cents lower. U.S. wheat export sales last week were on the high end of trade expectations at 407.9 TMT, up 401% from the previous week and 14% from the prior 4-week average. Export sales for MY 10/11 totaled 40.5 TMT. Wheat export shipments totaled 541 TMT, up 15% from the previous week and 24% from the prior 4-week average. Cumulative wheat export sales now total 89% of USDA export target for MY 2010, compared to a five year average of 88.7%.

USDA's S&D Report for MY 2010 - WHEAT – Mar. 10 – USDA bumped U.S. wheat ending stocks by 20 million bu to just above the psychological 1 billion bu level due to a 20 million bu cut in domestic food usage. This was **above the average pre-report trade estimate of 971 million bu**. USDA tightened their farm-gate price projection for wheat to \$4.80-\$5.00/bu. **World wheat production was increased again this month by .6 MMT to 678.0 MMT, due to a higher output for Argentina, but still 4.6 MMT below last year. World wheat ending stocks were increased about 1 MMT this month to 196.8 MMT, which is more than 33 MMT more than the year before.**

Wheat Competitor/Buyer News – USDA tweaked their Argentine wheat production estimate .6 MMT higher this month to 9.6 MMT and raised their exports by .5 MMT to 4.0 MMT. Egypt purchased 120 TMT of Russian and French wheat this week, again bypassing U.S. offers.

CORN – Corn export sales last week were well below trade expectations at 338.6 TMT, down 56% from the previous week and 53% from the prior 4-week average. Export sales for MY 10/11 totaled .3 TMT. Corn export shipments totaled 964.8 TMT, down 9% from the previous week, but up 9% from the prior 4-week average. Cumulative corn export sales now total 67.0% of USDA revised export target for MY 2010, compared to a five year average of 68.7%.

USDA's S&D Report for MY 2010 - CORN – Mar. 10 – As expected, USDA lowered their final U.S. corn production estimate this month, but by a smaller amount than had been expected – down 20 million bu to 13.131 billion compared to an average pre-report trade estimate of 13.081 billion bu. USDA also cut their export projection this month by 100 million bu to 1.9 billion bu, due to a recent sluggish pace, resulting in a **80 million bu increase in U.S. corn ending stocks to 1.799 billion bu, which was above the average pre-report trade estimate of 1.72 billion bu**. USDA tightened their farm-gate price projection for corn to \$3.45-\$3.75/bu. **World corn production was increased this month by 5.9 MMT to 803.7 MMT, which is more than 7 MMT above last year. World corn ending stocks were increased by 6 MMT this month to 140 MMT, but are down 6 MMT or 4% reduction from a year ago.**

Corn Competitor/Buyer News – USDA increased their Argentine corn production estimate by 3.8 MMT this month to 21 MMT and raised their corn exports by 2.5 MMT to 12 MMT. This was in line with most other recent Argentine crop forecasts.

Futures market activity this week

WHEAT – Wheat began the week drifting on both sides in mostly consolidated trade ahead of Wednesday's S&D report, with a lack of direction from outside markets. Tuesday saw a modest push lower in more pre-report positioning and weakness across a broad spectrum of commodities sparked by early strength in the dollar. Prices continued to sag on Wednesday under pressure from a bearish increase in U.S. ending stocks - up 52% from a year ago and now above a burdensome 1 billion bu mark. Wheat chopped modestly lower today (Thursday) - taking out the five month low established back in early October – under pressure from fund selling and a lack of supportive news in the outside markets. **Wheat market closes on Thursday, 3/11/10 ...**

	<u>May 2010</u>	<u>Weekly Summary</u>	<u>July 2010</u>	<u>Weekly Summary</u>
Chicago	\$4.78 ³ / ₄	Down \$.14 ³ / ₄	\$4.91 ¹ / ₂	Down \$.15 ¹ / ₄
Kansas City	\$4.89 ¹ / ₂	Down \$.11	\$5.00 ¹ / ₄	Down \$.11 ¹ / ₄
Minneapolis DNS	\$5.04 ¹ / ₂	Down \$.07 ³ / ₄	\$5.16 ¹ / ₄	Down \$.06 ³ / ₄

CORN – Corn began the week under modest pressures from position evening ahead of Wednesday's key S&D report with the trade expecting a 70 million cut in the final 2009 U.S. corn production estimate. Prices slipped lower on Wednesday in the face of a smaller than expected downward adjustment in the final corn production estimate – down just 20 million bu - and bigger than expected jump in U.S. ending stocks. Corn settled fractionally lower today (Thursday) on disappointing export sales and a lack of fresh news. Focus in the market has now shifted to USDA's Prospective Planting Report due out on March 31. **May 2010 corn contract closed Thursday, 3/11/10, at \$3.65 ¹/₄, down \$.10 ¹/₄ for the week and the July 2010 contact closed at \$3.76 ¹/₄, down \$.10 ¹/₄ for the week.**

Other Major Factors to Watch -

- **Crude Oil** – Crude oil rallied back above \$82/bbl this week – the highest level since January - on support from a bullish weekly inventory report which showed a burst in gasoline demand. Wednesday's petroleum stocks report showed crude oil stocks increase 1.432 million bbls, compared to expected increase of 2.0 million bbls; distillates fell 2.217 million bbls, compared to an expected draw of 1.0 million bbls; and gasoline stocks fell 2.9 million bbls, compared to unchanged. DOE released its updated crude oil price outlook for the year pegging an average crude oil price of \$80//bbl, compared to \$62 a year ago.
- **U.S. weather** – A recent warming trend has dramatically reduced snowpack, particularly in the Northwestern Corn Belt, but most areas remain very soggy and drier weather will be needed by early April to avoid serious delays to spring fieldwork. Much of the HRW crop has broken dormancy in reasonably good shape. Good rain coverage was expected across much of the Central U.S. this week, recharging soil moisture and aiding early spring growth prospects.
- **International weather / crop watch** –
 - **Europe** – Rain and snow returned to central and northern regions keeping most winter grains dormant.

- **Former Soviet Union** – Snow returned to much of Ukraine and southern Russia, while heavy snowpack covered much of the remaining Russian growing regions, protecting dormant winter grains and maintaining plentiful moisture reserves for the upcoming growing season.
- **Middle East** – Continued warm wet weather favored vegetative winter grain growth.
- **Northern Africa** – heavy showers maintained favorable moisture.
- **Argentina / Brazil** – Argentina was mostly dry in the past week, with some exceptions, including heavy storms across the eastern La Pampa region which has caused some localized lodging damage to corn and harvest delays. Rains were expected to be limited this week but moisture is expected to return in the 11-15 day period.