

Idaho Grain Market Report, March 21, 2013

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WEBINAR next Thursday, March 28 at 8:30 AM MDT -

“Federal tax changes for farmers under the American Taxpayer Relief Act of 2012” presented by Aaron Tonks, CPA with Rudd & Company, Rexburg, ID

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 20, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>		
Ashton	NQ	(2-R) \$13.00 (6-R) \$13.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$12.25	(2-R) \$13.25 (6-R) \$13.25	\$7.90	\$7.36	\$7.88
Blackfoot / Pocatello	\$11.66	(2-R) \$13.00 (6-R) \$13.00	\$7.60	\$7.11	\$7.61
Grace / Soda Springs	\$11.85	(2-R) NQ (6-R) NQ	NQ	\$7.80	\$7.93
Burley / Rupert Hazelton	\$12.25-\$12.50	(2-R) \$13.25 (6-R) \$13.25	\$8.00-\$8.10	\$7.40	\$7.85
Twin Falls / Eden / Buhl	\$12.65	(2-R) NQ (6-R) NQ	\$7.63	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$8.00	NQ	NQ
Nez Perce / Craigmont	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.89	\$8.38	\$8.80
Lewiston	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$8.08	\$8.59	\$8.99
Moscow / Genesee	\$10.40-\$12.10	(2-R) \$10.40 (6-R) \$10.40	\$7.88-\$8.55	\$8.34-\$9.02	\$8.76-\$9.43

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 \$8.45-\$8.66 Aug NC \$7.74 ¼- \$7.79 ¼	Mar \$9.06 ¼-\$9.11 ¼ Aug NC \$8.42-\$8.52	Mar \$9.54 ½-\$9.64½ Aug NC \$8.94-\$8.99
Los Angeles	\$15.25	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.25	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$7.66-\$7.79	\$8.31-\$8.47
Minneapolis	\$10.94	NQ	NQ	NQ	\$8.26 ¼ (12%)	\$9.29 ½

Market trends this week

BARLEY – Local barley prices were mostly higher this week with no change to 15 cents higher reported in southern Idaho and no change to 10 cents higher reported in northern Idaho. USDA reported that there were no barley export sales or shipments last week.

WHEAT – Local wheat prices were also mostly higher this week: SWW ranged from 5 cents lower to 70 cents higher; HRW ranged from 16 to 25 cents higher; and DNS ranged from 8 cents lower to 13 cents higher. USDA reported wheat export sales last week were below trade expectations at 573.3 TMT (484.5 TMT for MY 2012/13 and 88.8 TMT for 2013/14), down 46% from the previous week and 25% from the prior 4-week average. Cumulative wheat export sales have caught up to recent averages at 89% of the expected level for the marketing year which ends May 31, compared to

a 5-year pace of 89.5%. Export shipments last week totaled 636.8 TMT, down 19% from the previous week and 4% from the prior 4-week average.

CORN – Corn export sales last week were once again well below trade expectations, at 275.5 TMT (92.2 TMT for MY 2012/13 and 183.3 TMT for 2013/14), down 67% from the previous week and 59% from the prior 4-week average. Cumulative corn export sales total 71% of the expected level for the marketing year which ends Aug 31, compared to a 5-year pace of 76%. Corn export shipments last week totaled 418.5 TMT, up 3% from the previous week and 26% from the prior 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported a positive uptick in U.S. ethanol production last week to 809,000 bbls per day, up 1.5% from the previous week but down 9.4% from a year ago. Corn used for ethanol production was estimated at 84.95 million bu, still below the weekly pace of 88 million bu needed to reach the USDA estimated usage for the year of 4.5 billion bu.

Futures market activity this week

Global macro-economic trends – Uncertainties about Cyprus's potential bankruptcy and withdrawal from the euro were front and center this week after their parliament rejected a key provision of the eurozone bailout package. This sent investors back to the dollar as a hedge against increased financial risks.

U.S. economic watch – U.S. economic data continued to be strong this week with another round of positive housing data (strong housing starts and existing home sales) and weekly jobless claims increased only modestly this week while the 4-week average claims fell to a post-2008 recovery low.

WHEAT – Wheat began the week sharply lower under pressure from a broad sell-off in outside markets and a higher dollar. Profit-taking from improving winter wheat conditions also was noted. Wheat posted a positive reversal higher on Tuesday on short covering triggered by a more positive technical outlook and expanding domestic feed usage. Wheat continued to lead the gains on Wednesday, supported by a lower dollar and more short covering. Profit-taking and negative outside markets pushed wheat lower today (Thursday), along with pressure from disappointing export sales.

Wheat market closes on Thursday, 3/21/13 ...

	May 2013	Weekly Summary	July 2013	Weekly Summary	Dec 2013	Weekly Summary
Chicago	\$7.28 ³ / ₄	Up \$0.05 ³ / ₄	\$7.27 ¹ / ₂	Up \$0.06 ¹ / ₄	\$7.44 ¹ / ₂	Up \$0.05 ¹ / ₂
Kansas City	\$7.60 ¹ / ₂	Up \$0.17 ³ / ₄	\$7.65 ¹ / ₄	Up \$0.14 ³ / ₄	\$7.91 ¹ / ₂	Up \$0.09 ¹ / ₄
Minneapolis	\$8.02 ³ / ₄	Up \$0.06 ¹ / ₂	\$8.02 ¹ / ₂	Up \$0.06 ¹ / ₄	\$8.08 ¹ / ₂	Up \$0.06
DNS						

CORN – Corn posted modest gains on Monday despite negative headwinds in outside markets, with gains attributed to firm cash markets and improving ethanol margins. Corn continued to grind higher on both Tuesday and Wednesday in active bull spreading in old and new crop contracts. Firm cash basis remains the main feature in supporting old crop contracts. Corn shrugged off negative spillover pressure to post fractional gains today (Thursday), but gains were limited by light profit-taking pressures. **Corn futures contract closes on Thursday, 3/21/13 for May 2013 at \$7.33, up \$0.16, July 2013 contract at \$7.17 ¹/₄, up \$0.17 and the Dec 2013 contract at \$5.68 ¹/₂, up \$0.06 ³/₄ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices experienced volatility tied to choppy outside markets this week. Prices traded higher to start the week – closing up \$.29 to \$94.73 on Monday – but then moved lower on a return of eurozone financial debt worries as Cyprus rejected a key condition of its bailout package. DOE's weekly crude oil inventory report showed crude oil stocks fell unexpected last week by 1.314 million bbls, compared to an expected increase of 2 million bbls; distillates stocks fell by 700,000 bbls; and gasoline stocks fell by 1.5 million bbls. **Crude oil prices fell \$1.05 today (Thursday) to close at \$92.45, an eight day low under pressure from weak European economic data.**

U.S. crop weather – Very few showers were noted across the Plains last weekend but high winds reportedly hit a large section of the Western Plains, drying out soil moisture. Storms this week were mostly focused on the Northern Plains and Great Lakes where conditions remain very cold and wet. A band of showers crossed parts of the Central Plains early in the week and another round of storms is expected to bring good moisture coverage to CO, NE and KS this weekend. The 6-10 day and 8-14 day weather maps show conditions remaining cold and mostly dry for much of the Plains and Midwest. Winter wheat crop conditions have improved modestly as a result of the February storms, but concerns remain as topsoil moisture remains short. KS -29% P/VP, OK-37% P/VP, CO-51% P/VP, NE-50% P/VP, TX-44% P/VP.

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