

Idaho Grain Market Report, March 28, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 27, 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	\$11.75	(2-R) NQ (6-R) NQ	\$7.80	\$7.46	\$7.94
Idaho Falls	NQ	(2-R) \$13.25 (6-R) \$13.25	NQ	NQ	NQ
Blackfoot / Pocatello	\$11.66	(2-R) \$13.00 (6-R) \$13.00	\$7.85	\$7.94	\$8.10
Grace / Soda Springs	\$11.50	(2-R) NQ (6-R) NQ	\$7.80	\$7.70	\$7.70
Burley / Rupert	\$12.25-\$12.50	(2-R) \$13.25 (6-R) \$13.25	\$8.05-\$8.10	\$7.50	\$7.90
Hazelton					
Twin Falls / Eden / Buhl	\$12.50-\$12.65	(2-R) NQ (6-R) NQ	\$7.68-\$8.00	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$7.55	NQ	NQ
Nez Perce / Craigmont	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.90	\$8.37	\$8.76
Lewiston	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$8.09	\$8.56	\$8.95
Moscow / Genesee	\$10.40-\$12.35	(2-R) \$10.40 (6-R) \$10.40	\$7.86-\$8.60	\$8.33-\$9.09	\$8.72-\$9.47

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-\$8.56 ³ / ₄ Aug NC \$7.65-\$7.82 ¹ / ₂	Mar \$9.14-\$9.19 Aug NC \$8.55-\$8.60	Mar \$9.48-\$9.63 Aug NC \$9.03-\$9.13
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.25	NQ	NQ	\$8.40	\$8.29	\$8.37
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$7.74-\$7.92	\$8.35-\$8.42
Minneapolis	\$11.04	NQ	NQ	NQ	\$8.34 (12%)	\$8.53

Market trends this week

BARLEY – Local barley prices were mixed this week with no change to 35 cents lower reported in southern Idaho and 15 cents higher to no change reported in northern Idaho. USDA reported barley export sales totaled .1 TMT for South Korea and export shipments totaled .4 TMT for South Korea and Taiwan last week.

USDA prospective planting and March 1 stocks reports - BARLEY – USDA is projecting 2013 barley planted acres at 3.63 million, nearly unchanged from the previous year. Idaho barley acres are projected at 620,000, up 2% from last year. March 1 quarterly barley stocks are pegged at 116 million bu, up 24% from a year ago. The December 2012- February 2013 indicated disappearance was 41.7 million bu, down 8% from the same period a year ago. Idaho barley stocks are pegged at 27.7 million bu, up 15% from a year ago.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from 45 cents lower to 25 cents higher; HRW ranged from 10 cents lower to 83 cents higher; and DNS ranged from 23 cents lower to 49 cents higher. USDA reported wheat export sales last week were above trade expectations at 828.6 TMT (580.3 TMT for MY 2012/13 and 248.3 TMT for 2013/14), up 20% from the previous week, but down 2% from the prior 4-week average. Export shipments last week totaled 522.4 TMT, down 18% from the previous week and 25% from the prior 4-week average.

USDA prospective planting and March 1 stocks reports - WHEAT– USDA is projecting 2013 all wheat planted acres at 56.4 million, up 1% from 2012, including 12.7 million other spring wheat. This estimate is in line with the average trade estimate of 56.414 million, but is above the trade’s projection of 12.45 million acres for other spring wheat. Idaho wheat acres are projected at 1.318 million, nearly unchanged from last year. March 1 quarterly wheat stocks are pegged at 1.23 billion bu, higher than the average trade estimate of 1.199 billion bu, and up 3% from a year ago. The December 2012-February 2013 indicated disappearance totaled 436 million bu, down 6% from the same period a year ago. Idaho wheat stocks are pegged at 30.8 million bu, down 26% from a year ago.

Market reaction – Markets traded sharply lower in reaction to bearish stocks report.

Wheat Competitor/Buyers News – Russian wheat prices have fallen to a more competitive level, prompting speculation that they could resume wheat exports before new crop harvest.

CORN – Corn export sales last week were within trade expectations, at 314 TMT (295.1 TMT for MY 2012/13 and 18.9 TMT for 2013/14), up 69% from the previous week and 88% from the prior 4-week average. Export shipments last week totaled 384.8 TMT. down 8% from the previous week but up 3% from the prior 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported a modest downtick in U.S. ethanol production last week to 805,000 bbls per day, down 0.5% from the previous week and down 9.5% from a year ago. Corn used for ethanol production was estimated at 84.53 million bu, still below the weekly pace of 88.2 million bu needed to reach the USDA estimated usage for the year of 4.5 billion bu.

USDA prospective planting and March 1 stocks reports - CORN– USDA is projecting 2013 corn planted acres at 97.3 million, up slightly from last year and in line with average trade estimates of 97.328 million. March 1 quarterly corn stocks are pegged at 5.4 billion bu, higher than the average trade estimate of 5.013 billion bu, but down 10% from a year ago. The December 2012-February 2013 indicated disappearance was 2.63 billion bu, down 27% from the same period a year ago.

Market reaction – Corn market traded limit down in reaction to extremely bearish stocks report.

Corn Competitor/Buyer News – Reports continue to surface that Argentine corn is being traded into the southeastern U.S. feed market, with confirmation this week that at least one cargo is in route. The Argentine government increased its corn export quota this week by 2.4 MMT bringing their total corn export quota to 19.4 MMT. Argentine corn is reportedly trading at \$40 to \$50 discount to US Gulf corn offers.

Futures market activity this week

Global macro-economic trends – Nervousness about a revised eurozone bailout deal for Cyprus and Italy’s continued political paralysis resulting from their failure to form a new coalition government hung over financial and equity markets this week, but risk sentiment improved as Cyprus banks were allowed to reopen under new capital restrictions.

U.S. economic watch – The final estimate for Q4 US GDP showed a slightly lower than expected improvement to +0.4% compared to an earlier estimate of +0.3%. Durable good orders and housing prices were both better than expected. Weekly jobless claims jumped more than expected this week to 357,000, the biggest gain in new weekly claims in 2013.

WHEAT – Wheat began the week narrowly mixed in two-sided action on Monday as markets were pressured by another round of moisture across the winter wheat region, particularly dry areas of Nebraska and Kansas which were mostly bypassed by earlier storms. Weekly export inspections continue to be solid, but still lag behind the pace needed to reach USDA’s projections for the marketing year which ends May 31. Wheat reversed higher on Tuesday and Wednesday on pre-report short covering and concerns that a hard freeze may have damaged jointed wheat in some areas of the Southern Plains. Wheat traded sharply today (Thursday) in reaction to bearish stocks report. Prices should remain volatile next week as markets recalibrate demand projections based on these lower prices, along with cooler than normal spring weather. **Wheat market closes on Thursday, 3/28/13 ...**

	<u>May 2013</u>	<u>Weekly Summary</u>	<u>July 2013</u>	<u>Weekly Summary</u>	<u>Dec 2013</u>	<u>Weekly Summary</u>
Chicago	\$6.87 ¾	Down \$0.42	\$6.91	Down \$0.38 ¼	\$7.13 ¼	Down \$0.33
Kansas City	\$7.26 ¾	Down \$0.34 ¾	\$7.32 ¼	Down \$0.34 ¼	\$7.59 ½	Down \$0.33 ¾
Minneapolis	\$7.80 ¼	Down \$0.26 ¼	\$7.80 ½	Down \$0.25 ½	\$7.89 ½	Down \$0.23 ¾
DNS						

CORN – Corn overcame early profit-taking pressures to post solid gains on Monday in mostly position squaring ahead of Thursday’s planting and quarterly stocks reports. Prices eased back on Tuesday in two-sided action as bullish expectations for lower stocks was met by fresh technical resistance and a weaker cash market. Corn rebounded moderately higher in more positioning ahead of Thursday’s key acreage and stocks reports. Corn closed limit down today (Thursday) under pressure from extremely bearish stocks report that showed March 1 corn stocks 387 million bu

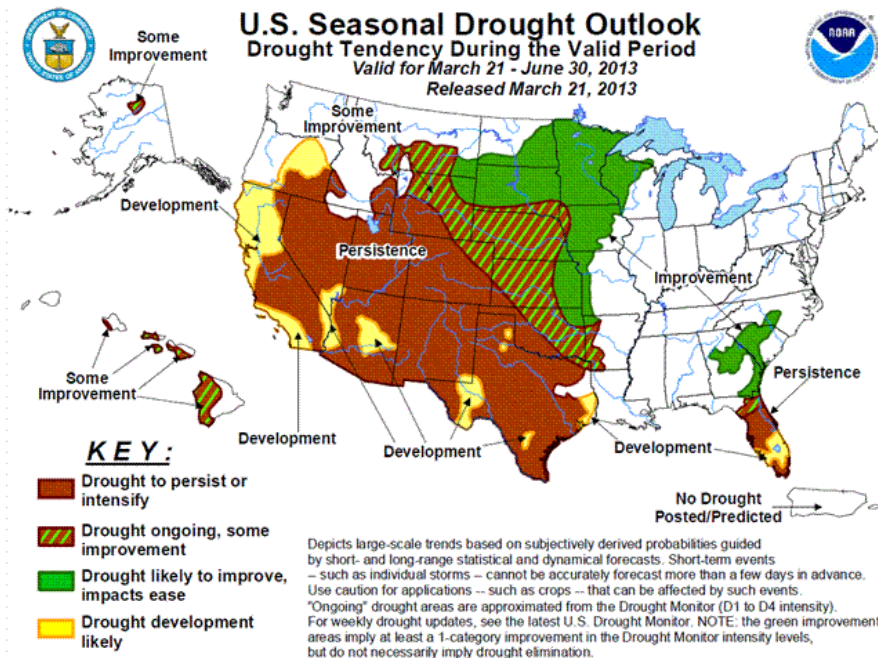
above the average pre-report trade estimate. **Corn futures contract closes on Thursday, 3/28/13 for May 2013 at \$6.95 ¼, down \$0.31, July 2013 contract at \$6.76, down \$0.32 ½ and the Dec 2013 contract at \$5.38 ½, down \$0.26 ¾ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices rebounded this week as uncertainties eased about Cyprus and investors adopted a risk on attitude. Prices closed \$1.10 higher on Monday at \$94.81 and continued to post gains through the week on improving risk sentiment. DOE's weekly crude oil inventory report showed crude oil stocks increased more than expected last week at 3.256 million bbls, compared to an expected build of 1.3 million bbls; distillate stocks fell by 4.5 million bbls, compared to an expected decline of 850,000 bbls; and gasoline stocks fell by 1.6 million bbls, compared to an expected decline of 1.0 million bbls. **Crude oil prices managed to post solid gains of \$0.65 to close at a 4-week high of \$97.23 today (Thursday) on calm European markets and a weaker dollar.**

U.S. crop weather – Weekend weather brought heavy snowfall to the winter wheat region stretching from northeastern Colorado to southern Nebraska and eastern Kansas. Unseasonably cold temperatures swept across the Plains and Midwest this week, likely causing patchy damage to winter wheat, particularly the Southern Plains where wheat is jointing. Temperatures are expected to moderate somewhat next week but remain below average. Another round of moisture is set to move through the Plains this weekend, with good chances of a band of moisture from northeastern Texas into northeastern Kansas. The 6-10 day and 8-14 day weather maps show conditions remaining colder than normal with some models showing more precipitation in parts of the Central and Eastern Cold Belt. Despite late winter moisture relief in many areas of the Midwest, persistent drought remains a concern across a wide section of the Western and Southern Plains, as noted in NOAA's revised US Seasonal Drought Outlook.

A neutral phase of El Nino-Southern Oscillation (ENSO) phase remains firmly in place – If this ENSO phase persists weather forecasters do not expect to see as many severe weather outbreaks as observed during the past two early spring seasons. A drier pattern is expected to remain in place across the Central and Southern Plains while wetter conditions are expected to elevate flooding risks across the Northern Plains (Red River) through the Ohio and Tennessee River Valleys into the mid to lower Mississippi River Valley.



Here is a direct link to our 2012/13 webinars:

- **NEW**...March 28, 2013 - **Federal tax changes for farmers under the American Taxpayer Relief Act of 2012** - presented by Aaron Tonks, CPA with Rudd & Company, Rexburg, ID at <http://connect.cals.uidaho.edu/p8nkv0xm79x/>
- **March 8, 2013 – Barley, Alfalfa and Livestock Crop Insurance Options for 2013** – presented by RMA Regional Office, Spokane, WA at <http://connect.cals.uidaho.edu/p7f9qtgy4sz/>
- **Feb. 8, 2013 - Global Grain Market Outlook** - presented by Kelly Olson, Idaho Barley Commission at <http://connect.cals.uidaho.edu/p89861735/>
- **Jan. 17, 2013 - How to Hedge Grain Prices Using Recurring Trends & Market Cycles** - presented by Lan H. Turner, Gecko Software, Inc at <http://connect.cals.uidaho.edu/p71004116/>
- **Nov. 20, 2012 - Executing a 2012/13 Grain Marketing Plan** – presented by Craig Corbett, Grace, ID, and Carley Garner, commodity broker, Las Vegas, NV at <http://connect.cals.uidaho.edu/p20437593/>
- **Oct. 30, 2012 - 2012/13 Grain Market Outlook & Understanding Technical Trends** – presented by Kelly Olson and Craig Corbett, Grace, ID at <http://connect.cals.uidaho.edu/p47995616/>