

Idaho Grain Market Report, April 2, 2009

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 1, 2009. 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) \$7.50 (6-R) \$7.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.35	\$5.10	\$6.40
Idaho Falls	\$5.75	(2-R)\$8.44-\$8.50 (6-R)\$8.44	NQ	NQ	NQ
Blackfoot / Pocatello	\$5.58	(2-R) \$7.50 (6-R) \$7.50	\$4.40	\$4.70	\$6.67
Grace / Soda Springs	\$6.35	(2-R) \$9.00 (6-R) \$9.00	\$4.28	\$4.57-\$4.92	\$6.31-\$6.62
Burley / Rupert	\$6.00	(2-R) \$8.44 (6-R) \$8.44	\$4.20	NQ	NQ
Hazelton					
Twin Falls / Eden / Buhl	\$6.20	(2-R) NQ (6-R) NQ	\$4.00	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.34	NQ	NQ
Nez Perce / Craigmont	\$4.38	(2-R) \$5.88 (6-R) \$5.88	\$4.91	\$5.45	\$7.39
Lewiston	\$4.83	(2-R) \$6.33 (6-R) \$6.33	\$5.10	\$5.64	\$7.58
Moscow / Genesee	\$4.43	(2-R) \$5.93 (6-R) \$5.93	\$4.87-\$5.55	\$5.30-\$6.16	\$7.35-\$7.93

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	Apr \$5.40-\$5.55 Aug NC \$5.30-\$5.45	Apr \$6.27-\$6.39 Aug NC \$6.33-\$6.43	Apr \$8.10-\$8.18 Aug NC \$7.24
Los Angeles	\$8.75	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.75	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.39	NQ	NQ	\$4.45	\$4.99	\$6.83
Great Falls	\$5.00-\$5.35	NQ	\$8.00	NQ	\$4.40-\$4.68	\$6.97-\$7.19
Minneapolis	\$5.62	NQ	NQ	NQ	\$6.16 ½ (12%)	\$7.53 ½ - \$7.68 ½

Market trends this week

BARLEY – Local barley prices were mixed, ranging from 80 cents lower to 3 cents higher this week. USDA did not report any barley export sales or shipments last week.

Barley Prospective Plantings – USDA released their annual planting intentions report on March 31. They have pegged U.S. barley acres at 3.953 million, down 7% from a year ago. Idaho barley acres were estimated at 540,000, down 10%.

Barley Quarterly Stocks, March 1, 2009 – Barley stocks on hand totaled 128 million bu, up 16% from last year. Indicated disappearance for the period December 2008 through February 2009 was 44.9 million bu, up 77% from the same period a year ago. Idaho barley stocks were pegged at 26.005 million bu, up 21%.

WHEAT – Local wheat prices were mostly higher this week: SWW ranged from 10 cents lower to 50 cents higher; HRW ranged from 13 cents lower to 11 cents higher; and DNS from no change to 50 cents higher. U.S. wheat export sales last week were within trade expectations at 283.5 TMT, up 7% from the previous week and 1% from the prior 4-week average.

Export shipments last week totaled 376.7 TMT, which were down 37% from the week before and 6% from the prior 4-week average.

Wheat Prospective Plantings – USDA has pegged total U.S. wheat acres at 58.6 million, down 7% from a year ago and just below the average pre-report trade estimate. Spring wheat acres were estimated at 13.3 million, down 335,000 from the average trade estimate. Idaho wheat acres were pegged at 1.24 million, down 11% from a year ago (winter acres at 740,000 and spring at 480,000).

Wheat Quarterly Stocks, March 1, 2009 – Wheat stocks on hand totaled 1.04 billion bu, up 46% from last year. This is below the average trade estimate of 1.06 billion bu. Indicated disappearance for the period December 2008 through February 2009 was 386 million bu, down 7% from the same period a year ago. Idaho wheat stocks were pegged at 33.4 million bu, up 73%.

Wheat Competitor/Buyer News – Russia’s 2009/10 wheat crop was pegged this week at 60-65 MMT, which would exceed 2008’s record crop. Export potential was pegged at 19.5 MMT, compared to this year’s 17.6 MMT. Egypt purchased 85 TMT of Russian wheat and Saudi Arabia purchased 495 TMT of Canadian wheat this week. Indonesia has reportedly purchased Ukrainian wheat for the first time, bypassing closer Australian wheat due to delayed shipments out of that country and reportedly higher costs. **International tender line-up...**Jordan for 100 TMT, UAE for 40 TMT, Iraq for 50 TMT and Israel for 25 TMT.

CORN – Corn export sales were well above trade expectations last week at 1.25 MMT, up 5% from the previous week and 42% from prior 4-week average. Export shipments last week totaled 994.4 TMT, which were up 28% from the previous week and 8% from the prior 4-week average.

Corn Prospective Plantings – USDA has pegged total U.S. corn acres at 85 million, down 1% from a year ago and about 500,000 above the average pre-report trade estimate. It is still too early to know with any certainty where final corn acres will land, but using this preliminary estimate and trendline yields puts the 2009 crop at about 12.1 billion bu and 2009-10 ending stocks could potentially fall to a 34-day supply, the smallest in 14 years.

Corn Quarterly stocks, March 1, 2009 – Corn stocks on hand totaled 6.96 billion bu, up 1% from last year. This is below the average trade estimate of 7.003 billion bu. Indicated disappearance for the period December 2008 through February 2009 was 3.12 billion bu, down 9% from the same period a year ago.

Futures market activity this week

Stocks began the week sharply lower in follow-through selling from the previous Friday and the federal government’s rejection of the two U.S. carmakers’ restructuring plans and a stop to further bailout funding for now. Tuesday and Wednesday saw impressive rallies on a combination of factors, including more positive economic news. March ended on a high note, with the Dow closing up 7.7% for the month, its best March performance since 2002. The first quarter 2009, however, was the worst quarterly performance for the Dow in 70 years, down 13.3%. Stocks surged today to the highest level in two months. Support came from a move by the Federal Accounting Standards Board to change the “mark-to-market” accounting rule and a successful conclusion of the G-20 economic summit in London where the major developed countries agreed to a coordinated fiscal and regulatory response to the current global recession. G-20 countries also agreed to pledge increased funding through the IMF for developing countries hurt by the economic downturn.

Wheat – Wheat futures began the week higher in choppy two-sided trading, with gains attributed to short covering ahead of Tuesday’s planting intentions report. Prices turned sharply higher on Tuesday, with soybeans and MGE wheat leading the gains. USDA pegged U.S. spring wheat acres below the average trade estimate. Flooding concerns in the Northern Plains also added to the acreage worries. Prices retreated on Wednesday on mostly profit-taking pressures and ideas that wheat’s long-term fundamentals remain bearish for now. Wheat led the push higher today (Thursday) with support from a lower dollar, fund buying and ongoing concerns about the condition of the hard red winter wheat crop and potential cut in spring wheat acres. **Wheat market closes on Thursday, 4/02/09...**

	May 09	Weekly Summary	July 09	Weekly Summary
Chicago	\$5.50 ½	Up \$.43 ¼	\$5.62 ¾	Up \$.42 ¾
Kansas City	\$5.91 ½	Up \$.41 ½	\$6.01 ¾	Up \$.41 ¼
Minneapolis DNS	\$6.59 ¼	Up \$.51 ½	\$6.49	Up \$.47 ¼

Corn – Corn prices began the week fractionally lower in mostly consolidation trade ahead of Tuesday’s key USDA reports. Prices jumped sharply higher on Tuesday, with strong support from soybean rally that was triggered by a much smaller than expected acreage estimate from USDA (soybeans were 3.6 million acres below the average pre-report trade estimate). Lower than expected quarterly corn stocks also provided support. Sharp profit-taking pressures and a firmer U.S. dollar drove prices lower on Wednesday. News that EPA has decided to delay its decision on raising the ethanol blend requirement above the current 10% for at least another year to allow for more engine testing added to the negative tone. Corn finished higher today (Thursday) on spillover support from soaring soybeans and sharply higher crude oil. Another week of better than expected corn export sales also provided support. Gains were somewhat limited by increased

farmer selling. **May 09 corn contract closed on Thursday, 4/02/09, at \$4.02 ½, up \$.15 ½ for the week and the July 09 contract at \$4.12 ¾, up \$.15 ¼ for the week.**

Other Major Factors to Watch

- § **Crude oil** – Crude oil began the week lower, dipping below \$50 for the first time since March 19. Wednesday brought more pressure from a bearish inventory report - crude oil stocks increased by 2.8 million barrels (expected a build of 3.3 million bbls); distillates increased by .3 million bbls (expected draw of 1.15 million bbls); and gasoline stocks increased by 2.2 million bbls (expected draw of 1.5 million bbls). Crude oil rallied higher today - moving above \$52/bbl - on ideas that the recession may be nearing a bottom.
- § **International Weather/Crop Watch** –
 - **U.S. winter wheat belt** – A series of storm systems moved through the Central U.S. this week, with overnight moisture in the dry Southern Plains. More rain and snow is forecast in the next 10 days, particularly in the already water-logged Northern Plains, but could bypass much of the drought-stricken Southern Plains.