

Idaho Grain Market Report, April 16, 2009

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 15, 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) NQ (6-R) \$9.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.30	\$4.65	\$6.51
Idaho Falls	\$6.25	(2-R)\$8.44-\$8.50 (6-R)\$8.44	\$4.35	\$4.81	\$6.35
Blackfoot / Pocatello	\$5.64	(2-R) NQ (6-R) \$9.00	\$4.40	\$4.61	\$6.53
Grace / Soda Springs	\$6.35	(2-R) \$9.00 (6-R) \$9.00	\$4.28	\$4.50-\$4.92	\$6.13-\$6.62
Burley / Rupert Hazelton	NQ	(2-R) \$8.44 (6-R) \$8.44	NQ	NQ	NQ
Twin Falls / Eden / Buhl	\$6.35	(2-R) NQ (6-R) NQ	\$3.94	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.40	NQ	NQ
Nez Perce / Craigmont	\$4.37	(2-R) \$4.37 (6-R) \$4.37	\$4.84	\$5.61	\$6.91
Lewiston	\$4.82	(2-R) \$4.82 (6-R) \$4.82	\$5.03	\$5.80	\$7.10
Moscow / Genesee	\$4.42-\$6.00	(2-R) \$4.42 (6-R) \$4.42	\$4.80-\$5.50	\$5.57-\$6.04	\$6.87-\$7.55

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-\$5.50 Aug NC \$5.30-\$5.45	Apr \$5.90-\$6.07 Aug NC \$6.05-\$6.10	Apr \$7.55-\$7.57 Aug NC \$6.94-\$7.04
Los Angeles	\$9.25	NQ	NQ	NQ	NQ	NQ
Stockton	\$9.75	NQ	NQ	NQ	NQ	NQ
Tulare	\$9.25	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.64	NQ	NQ	\$4.35	\$4.90	\$6.55
Great Falls	\$5.00-\$5.55	NQ	\$8.00	NQ	\$4.52-\$4.65	\$6.68-\$6.84
Minneapolis	\$5.72	NQ	NQ	NQ	\$5.83 (12%)	\$7.20- \$7.30

Market trends this week

BARLEY – Local barley prices were mixed, ranging from \$.22 lower to \$1.50 higher this week. USDA did not report any barley export sales last week. Barley export shipments totaled .6 TMT for Canada and Mexico.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from 14 cents lower to 5 cents higher; HRW ranged from no change to 35 cents lower; and DNS from 1 cent to 49 cents lower. U.S. wheat export sales last week were below trade expectations at 121.5 TMT (new crop sales totaled 189 TMT), down 36% from the previous week and 49% from the prior 4-week average. Export shipments last week totaled 486.7 TMT, which was down 4% from the week before, however it was up 9% from the prior 4-week average.

Wheat Competitor/Buyer News – Egypt purchased 175 TMT, believed to be Russian and French origin. **International tenders...** Iraq 50 TMT, Syria 200 TMT and Algeria 50 TMT.

CORN – Corn export sales were within trade expectations last week at 879.6 TMT (new crop sales totaled 149.8 TMT), down 17% from the previous week and 11% from prior 4-week average. Export shipments last week totaled 864.6 TMT, which were down 18% from the previous week and 8% from the prior 4-week average.

Futures market activity this week

The five week rally on Wall Street (up 22% since the early March lows) sputtered early in the week, but was back on track mid week on a spate of better than expected quarterly sales and earnings reports and growing optimism that the financial sector was stabilizing. This was reinforced by better than expected profits reported for both Goldman Sachs and JP Morgan. However, economic news remains mixed which will keep equities vulnerable to another pullback. The Federal Reserve released their periodic “Beige Book” report this week, confirming the overall economy remains weak but that the downturn was slowing in 5 of the 12 districts. On the downside - retail sales fell by 1.1% last month compared to a predicted increase of 0.3%. New home construction fell by 11% last month, the second lowest level on record.

Wheat – Wheat futures began the week mixed (higher in CHI) in choppy trading. A mix of short covering, profit taking and a sharp drop in the US dollar pulled the markets in both directions. Continued crop/weather worries provided underlying support. Prices fell slightly on Tuesday in the face of chances for additional moisture in key hard red winter wheat areas later this week. Wednesday saw prices retreat further on profit-taking pressures. Wheat finished higher today (Thursday) on weather/crop concerns and strength in soybeans. **Wheat market closes on Thursday, 4/16/09...**

	<u>May 09</u>	<u>Weekly Summary</u>	<u>July 09</u>	<u>Weekly Summary</u>
Chicago	\$5.24 ³ / ₄	Up \$.02 ³ / ₄	\$5.36 ¹ / ₂	Up \$.03
Kansas City	\$5.70	Down \$.00 ¹ / ₂	\$5.80 ¹ / ₄	Up \$.00 ¹ / ₄
Minneapolis DNS	\$6.34 ¹ / ₄	Down \$.10 ¹ / ₄	\$6.21 ¹ / ₂	Down \$.06 ³ / ₄

Corn – Corn prices began the week lower under pressure from fund and producer selling and weakness in energies. Losses were limited by spillover support from higher soybeans and concerns about planting delays. Corn turned modestly higher on Tuesday with support from short covering and higher soybeans. But gains were short-lived as an improved planting outlook pushed prices lower on Wednesday. Corn traded mostly lower today (Thursday) but finished slightly higher on spillover strength in soybeans. Gains were limited about concerns that a ruling expected next week in California could curtail future ethanol use. **May 09 corn contract closed on Thursday, 4/16/09, at \$3.85 ³/₄, down \$.04 ¹/₂ for the week and the July 09 contact at \$3.95 ¹/₄, down \$.04 ¹/₂ for the week.**

Other Major Factors to Watch

- § **Crude oil** – Crude oil traded mostly lower this week, falling below \$50/bbl on Wednesday in reaction to a bearish inventory report and sluggish demand outlook. Wednesday’s inventory report showed a surprisingly large build of crude oil stocks – increasing 5.6 million barrels compared to an expected build of 2.0 million bbls. Distillate stocks fell 1.2 million bbls, compared to an expected drawdown of 1.0 million bbls. Gasoline stocks fell 900,000 bbls, compared to an expected drawdown of 500,000 bbls. DOE’s Short Term Energy Outlook released this week estimated that U.S. demand for liquid fuels will fall by 430,000 barrels this year, or 2.2% below 2008. World oil consumption will drop by 1.35 million bbls due to the global economic recession. Assuming a modest recovery in GDP growth next year (+2.6% growth in 2010 compared to a decline of 0.8% this year), oil consumption is expected to grow by 1.1 million bbls next year. Crude oil prices were pegged at \$53/bbl this year; \$2.17/gal for gasoline; and \$2.30/gal for diesel.
- § **U.S. winter wheat crop rating / frost losses** – Winter wheat crop ratings slipped this week, confirming recent frost damage. Overall, U.S. winter wheat is now pegged at 42% good/excellent, compared to 47% a year ago. The condition index score fell to 312 (out of a possible 500), 24 points below the 10-year average. KS crop is rated 37% g/ex, OK crop is 16% g/ex and TX only 12% g/ex. Reports suggest that April freeze damage was variable, but most significant in central OK to western TX and less damage in KS.
- § **International Weather Watch** –
 - **Europe** – Dry warm weather continued to promote spring grain planting and winter grain development.
 - **Russia / Ukraine** – Cooler weather in Russia slowed spring grain planting and greening of winter grains. Ukraine continued to experience unseasonably mild, dry conditions which accelerated spring grain planting and winter grain development.
 - **China** – Rain was expected in wheat growing regions of the North China Plains. Dry conditions continued across the Corn Belt but cooler temperatures reduced the urgency for rain.
 - **Middle East** – locally heavy rains in Iran provided needed moisture for heading to filling winter grains; conditions remained favorable for winter grains in Turkey.
 - **North Africa** – moderate to heavy rains provided beneficial moisture for heading to filling winter wheat and barley.

USDA Crop Progress / Condition Report, April 13, 2009

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	3%	NA	12%	13%			
ID barley	10%	NA	29%	31%			
US spring							

wheat	2%	NA	8%	11%			
ID spring wheat	18%	NA	25%	39%			
US winter wheat	Headed 9%	NA	4%	6%	42%	43%	47%
ID winter wheat	Headed 0%	NA	0%	0%	80%	80%	
US Corn	2%	NA	2%	6%			