

Idaho Grain Market Report, April 18, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 17, 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	\$11.25	(2-R) \$12.92-\$13.00 (6-R) \$12.92	\$7.90	\$7.38	\$7.77
Blackfoot / Pocatello	\$11.35	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.43	\$8.01
Grace / Soda Springs	\$11.00	(2-R) NQ (6-R) NQ	\$8.00	\$7.68	\$7.91
Burley / Rupert Hazelton	\$11.25-\$12.50	(2-R) \$12.92 (6-R) \$12.92	\$7.80-\$7.95	\$7.20	\$7.70
Twin Falls / Eden / Buhl	\$11.75	(2-R) NQ (6-R) NQ	\$7.00	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$8.20	NQ	NQ
Nez Perce / Craigmont	\$9.85	(2-R) \$9.85 (6-R) \$9.85	\$7.24	\$8.21	\$8.62
Lewiston	\$10.10	(2-R) \$10.10 (6-R) \$10.10	\$7.43	\$8.40	\$8.76
Moscow / Genesee	\$9.90-\$12.00	(2-R) \$9.90 (6-R) \$9.90	\$7.20-\$7.90	\$8.17-\$8.80	\$8.58-\$9.27

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	Apr \$7.88 ¼-\$7.95 Aug NC \$7.63 ¾-\$7.65	Apr \$8.80-\$8.87 Aug NC \$8.24-\$8.34	Apr \$9.23 ¾-\$9.33 ¾ Aug NC \$8.84 ½-\$9.04 ½
Los Angeles	\$14.70	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$14.70	NQ	NQ	NQ	NQ	NQ
Ogden	\$11.30	NQ	NQ	\$8.30	\$8.02	\$8.35
Great Falls	\$8.00-\$10.50	NQ	\$12.75	NQ	\$7.49-\$7.72	\$8.20-\$8.23
Minneapolis	\$10.52	NQ	\$14.06	NQ	\$8.27 (12%)	\$9.18 ¼

Market trends this week

BARLEY – Local barley prices were mostly higher this week with no change to 40 cents higher reported in southern Idaho and 25 cents lower to 40 cents higher reported in northern Idaho. USDA reported barley export sales totaled 2.4 TMT for South Korea, and no export shipments last week.

Barley Competitor/Buyers News – UkrAgro Consulting lowered its 2013 barley crop forecast for Ukraine from 8.3 MMT to 7.8 MMT, which is still well above last year's 6.5 MMT. Russian barley production is pegged at 16.1 MMT, compared to 14.0 MMT last year.

WHEAT – Local wheat prices were also mostly higher this week: SWW ranged from 40 cents lower to 70 cents higher; HRW ranged from 8 to 19 cents higher; and DNS ranged from 4 to 39 cents higher. USDA reported wheat export sales last week were well above trade expectations at 1,674.7 TMT (552.1 TMT for MY 2012/13 and 1,122.6 TMT for 2013/14), up 110% from the previous week and 51% from the prior 4-week average. Export shipments last week totaled 704 TMT, down 8% from the previous week, but up 16% from the prior 4-week average.

Wheat Competitor/Buyers News – EU approved export licenses for 392 TMT of wheat, bringing their cumulative exports to 16.3 MMT, compared to 11.1 MMT the year before.

CORN – Corn export sales last week were on the high end of trade expectations, at 417.2 TMT (400.3 TMT for MY 2012/13 and 16.9 TMT for 2013/14), was up 116% from the previous week and 73% from the prior 4-week average. Export shipments last week totaled 301.6 TMT, up 8% from the previous week, however it was down 27% from the prior 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported a surprising downtick in U.S. ethanol production last week to 832,000 bbls per day, down 2.6% from the previous week and down 5.9% from a year ago. Cumulative corn used for ethanol production now totals 2.72 billion bu, compared to USDA's estimate for the marketing year of 4.55 billion bu. Weekly use needs to reach 88.3 million bu to meet this target.

Futures market activity this week

Macro-economic trends – China reported a disappointing GDP estimate to start the week – Q1 2013 growth was pegged 7.7%, short of expectations of 8% growth. Fresh worries about the Cyprus debt situation also emerged this week as there is some doubt that their Parliament will vote to accept the final bailout package. Without a positive vote, Cyprus will likely be forced to default on debt and exit the euro-zone.

U.S. economic trends – This was a rough week for investors across a wide spectrum of financial, equity and commodity markets, as prices plunged early in the week on fresh worries about slowing global economic growth, some disappointing corporate earnings particularly in the tech sector and the Boston terror attack. Markets recovered momentum mid-week on ideas that the early sell-off was over done, but markets remain subdued by worries about future economic growth. The Conference Board's Index of Leading Indicators came in at -0.1, below expectations, but the Federal Reserve reported that strong housing and auto sales contributed to moderate economic growth across all regions of the country during the past two months, noting some weak spots including defense-related budget cuts due to sequestration.

WHEAT – A broad sell-off across most equity and commodity markets, exacerbated by the Boston terrorist attack, pushed wheat prices double digits lower on Monday. Beneficial moisture across the Eastern Corn Belt also added to the negative tone, reinforcing ideas of the potential for bumper SRW wheat yields that will help offset HRW crop losses. A correction in outside markets triggered short covering and higher prices on Tuesday. Wheat closed mixed on Wednesday in the face of outside market uncertainty, a higher dollar and another freeze event which is expected to move through the Western Plains overnight. Wheat markets finished mixed to higher today (Thursday) on support from winter wheat crop concerns, spring planting delays and better than expected export sales. **Wheat market closes on Thursday, 4/18/13 ...**

	<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	\$7.02 ³ / ₄	Down \$0.12	\$7.06 ³ / ₄	Down \$0.12 ³ / ₄	\$7.27 ¹ / ₂	Down \$0.11 ¹ / ₄
Kansas City	\$7.48 ³ / ₄	Down \$0.09 ¹ / ₄	\$7.49	Down \$0.10 ¹ / ₄	\$7.77 ³ / ₄	Down \$0.07 ¹ / ₂
Minneapolis	\$8.17 ³ / ₄	Up \$0.10	\$8.02 ¹ / ₄	Up \$0.03 ¹ / ₂	\$8.04	Down \$0.01 ¹ / ₄
DNS						

CORN – Corn moved sharply lower on Monday in a wave of commodity liquidations, but losses were limited by increasing concerns about spring planting delays which may result in lower plantings in some areas and will delay early harvest which is needed to ease the tight stocks situation at the tail end of the current marketing year. Recent wet weather has generally been viewed as positive for improving soil moisture and boosting 2013 yield potential and negative to new crop prices, but concerns about idled planters are now getting the market's attention. Corn posted strong gains on Tuesday as active bull spreading resumed with underlying support from firm cash markets and delayed planting. Prices eased back on Wednesday as basis began to soften, particularly in the Eastern Corn Belt, and outside markets turned negative once again. Corn was pounded today (Thursday), falling under the weight of profit-taking pressures and softening cash markets. **Corn futures contract closes on Thursday, 4/18/13 for May 2013 at \$6.44 ¹/₂, down \$0.14, July 2013 contract at \$6.29 ³/₄, down \$0.11 ¹/₂ and the Dec 2013 contract at \$5.41 ¹/₄, down \$0.08 ³/₄ for the week.**

OTHER MAJOR FACTORS TO WATCH –

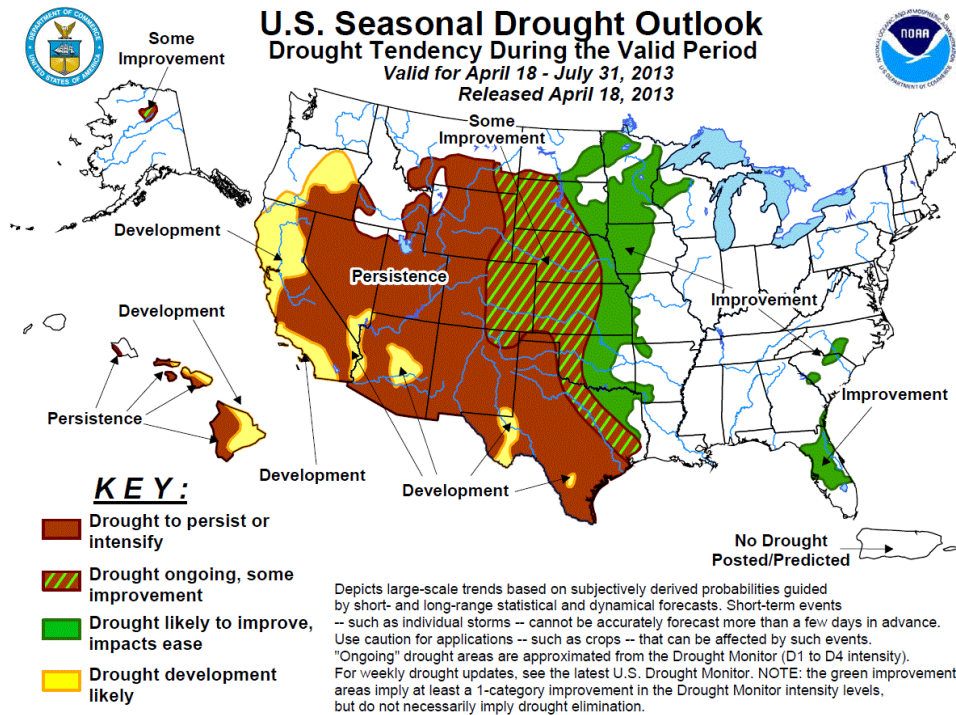
CRUDE OIL – Crude oil prices were pummeled early this week on mounting concerns about slowing global economic growth, reinforced by a disappointing Chinese GDP estimate DOE's weekly crude oil inventory report was mixed, showing a surprising drop in crude oil stocks of 1.23 million bbls, compared to an expected build of 1.2 million bbls; distillate stocks increased by 2.4 million bbls, compared to an expected decline of 350,000 bbls; and gasoline stocks fell by 600,000 bbls, compared to an expected decline of 800,000 bbls. **Crude oil posted a solid recovery on Thursday – up \$1.05 to close at \$87.73 – on support from a lower dollar and improved outside markets, but gains were limited by a round of disappointing U.S. economic data.**

U.S. CROP WEATHER / CROP WATCH – Another massive storm system moved from the PNW into the Central U.S. midweek, bringing substantial snow (Northern Plains) and rain accumulation, **halting spring fieldwork/planting and increasing flooding risks, particularly in areas with over saturated field conditions.** The High Great Plains saw another round of freezing temperatures this week, the 3rd time in the past month. Oklahoma is considered most at risk to crop damage because the winter wheat crop is further ahead there (78% jointed in OK versus 35% in KS). Crop scouts

still believe that as many as 3 million acres of Kansas winter wheat have already seen freeze damage, reducing yields and leading to higher abandonment rates this year. **Despite recent storms, drought remains a concern across the HRW wheat region as topsoil moisture has declined significantly in April**, as confirmed by a higher percentage of the crop rated poor/very poor – 39% - compared to 25% good/excellent. The 6-10 and 8-14 day weather outlooks call for below normal temperatures and a fresh wave of showers early next week. A slow drying trend is forecast for late April into the first week of May.

USDA Crop Progress / Condition Report, April 15, 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	18% planted	NA	27%	15%			
ID barley	41% planted	34%	40%	27%			
US spring wheat	6%	NA	33%	13%			
ID spring wheat	24% planted	12%	18%	16%			
US winter wheat	4% headed	NA	28%	12%	36%	34%	61%
ID winter wheat	13% jointed	NA	8%	6%	63%	60%	87%
Corn	2% planted	NA	16%	7%			



INTERNATIONAL WEATHER / CROP WATCH -

- **Brazil/Argentina** – Heavy rainfall in the northwestern and tropic regions favor second crop corn, boosting yield prospects. Meanwhile, Argentina remains mostly dry favoring corn and soybean harvesting.
- **Canada** – Extended wintry conditions have delayed snowmelt and spring planting, pushing the critical grain fill period into hotter summer months. Some grain areas, particularly Manitoba and parts of Saskatchewan, are at risk of flooding and plant diseases.
- **Europe** – Colder than normal conditions have eased in northern Europe, while some areas of Eastern Europe continue to face cold conditions with winter grains remaining dormant. Central Europe saw increased shower activity which benefitted vegetative growth. Barley seeding is reported almost complete in France and parts of Germany, Scandinavia into Central Europe.
- **Black Sea Region** – Colder than normal conditions persisted across northern regions, delaying winter crop growth and spring planting. Southern Russia received beneficial moisture to promote vegetative winter grain development and spring planting.
- **Northern Africa** – Sunny near normal temperatures favor reproductive to filling winter wheat and barley.
- **Middle East** – Warm and dry conditions are beneficial for reproductive grains in Syria, Iraq and Iran; showers favor vegetative winter grain development in Turkey.
- **China** – North China Plains remains mostly dry, while primary corn regions are too wet and cold for planting.