

Idaho Grain Market Report, April 19, 2012

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 18, 2012. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	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) \$12.00 (6-R) \$12.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$9.50	(2-R) NQ (6-R) NQ	\$5.90	\$5.90	\$7.94
Idaho Falls	NQ	(2-R) \$12.50-\$13.50 (6-R) \$12.50	NQ	NQ	NQ
Blackfoot / Pocatello	\$10.41	(2-R) \$12.00 (6-R) \$12.00	\$5.60	\$5.50	\$7.83
Grace / Soda Springs	\$9.75	(2-R) NQ (6-R) NQ	NQ	\$5.64	\$7.70
Burley / Rupert	\$9.50	(2-R) \$13.02 (6-R) \$13.02	\$6.15	NQ	NQ
Hazelton					
Twin Falls / Eden / Buhl	\$10.00-\$10.90	(2-R) NQ (6-R) NQ	\$5.70-\$6.00	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.02	NQ	NQ
Nez Perce / Craigmont	\$8.85	(2-R) \$8.85 (6-R) \$8.85	\$6.29	\$6.69	\$8.88
Lewiston	\$9.10	(2-R) \$9.10 (6-R) \$9.10	\$6.48	\$6.88	\$9.07
Moscow / Genesee	\$8.90-\$10.25	(2-R) \$8.90 (6-R) \$8.90	\$6.25-\$7.00	\$6.65-\$7.48	\$8.84-\$9.51

Trading 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 \$6.85-\$7.00 Aug NC \$6.42-\$6.55	Apr \$7.26-\$7.41 Aug NC \$6.84-\$6.89	Apr \$9.40-\$9.50 Aug NC \$8.81-\$9.01
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$10.00	NQ	NQ	\$6.20	\$5.85	\$8.01
Great Falls	\$8.00-\$9.30	NQ	\$11.50	NQ	\$5.11-\$5.38	\$7.35-\$7.62
Minneapolis	\$10.73	NQ	\$14.58	NQ	\$6.86 (12%)	\$9.40-\$9.80

Market trends this week

BARLEY – Local barley prices were mostly lower this week, ranging from no change to 50 cents lower in southern Idaho and 25 to 35 cents lower reported in northern Idaho. USDA reported that export sales totaled .3 TMT for Taiwan, however there were no export shipments reported.

WHEAT – Local wheat prices were also mostly lower this week: SWW ranged from no change to 20 cents lower; HRW ranged from 4 cents higher to 25 cents lower; and DNS ranged from 26 to 58 cents lower. USDA reported wheat export sales last week were on the low end of trade expectations at 442.2 TMT (365.9 TMT for MY 2011/12 and 76.3 TMT for MY 2012/13), down 19% from the previous week, and 10% from the 4-week average. Export shipments totaled 632.3 TMT, up 44% from the previous week and 38% from the 4-week average.

Wheat Competitor/Buyer News – France and Germany both issued estimated winter wheat crop losses this week – 7% and 15% respectively – after adverse conditions in January and February.

CORN – Corn export sales last week were well below trade expectations at 302.8 TMT (300.4 TMT for MY 2011/12 and 2.4 TMT for MY 2012/13), which was down 69% from the previous week and 58% from the 4-week average. Corn export shipments last week totaled 1.11 MMT, which was up 69% from the previous week and 71% from the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production totaled 884,000 bbls per day last week, down 1.3% from the previous week but up 3.3% from last year. Corn used for ethanol last week totaled 94.17 million bu, still slightly above the weekly pace of 94.12 mbu needed to reach USDA's usage estimate of 5.0 billion bushels for the year.

Futures market activity this week

Macroeconomic news – Euro debt worries lingered this week as Spanish yields soared to above 6% early and credit default insurance to protect Spanish debt rose to record high levels, driven by concerns that the government will fail to reach lower deficit targets as well as reports of an escalation in nonperforming loans. However, there were some encouraging signs in the euro-zone as German economic sentiment rose higher than expected to a 22 month high level.

WHEAT – Wheat markets saw more of the same choppy two-sided action this week, with prices driven lower by weak outside markets, improving winter wheat crop conditions and a rapid spring wheat planting pace. Prices continued to grind lower on Wednesday but losses were limited by lack of significant selling pressure due to higher European wheat futures and ideas that U.S. wheat prices have become more competitive on the world market. Wheat posted double-digit gains today (Thursday) on aggressive short covering and fresh buying interest. **Wheat market closes on Thursday, 04/19/12...**

	<u>May 2012</u>	<u>Weekly Summary</u>	<u>July 2012</u>	<u>Weekly Summary</u>
Chicago	\$6.24 ½	Up \$0.01	\$6.30	Down \$0.00 ¼
Kansas City	\$6.37 ½	Down \$0.05 ½	\$6.46 ½	Down \$0.05 ½
Minneapolis DNS	\$8.09 ¼	Down \$0.15	\$8.12	Down \$0.08 ½

CORN – Corn began the week moderately lower on a combination of technical selling and expectations of a rapid planting pace. An improvement in soil moisture in the Western Corn Belt also added to the negative tone. Tuesday saw early gains from better outside market forces erode into the close under pressure from continued long liquidation. A chart-driven sell-off pushed corn prices sharply lower on Wednesday – hitting a 4-month low – as risk-taking sentiment took another hit from a higher dollar and weaker energies. A lack of confirmation of rumored Chinese purchases also added pressure. Corn surged higher today (Thursday) on rumors of fresh Chinese purchases and increased money flow into commodities and equities. **May 2012 corn futures contract closed Thursday, 04/19/12, at \$6.21, down \$0.08 ¼ and the July 2012 contact closed at \$6.12, down \$0.08 ¾ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Volatility continued in the crude oil markets this week in tune with continued shifts in risk-taking investor sentiment. Futures managed to shrug off early weakness Monday sparked by renewed euro debt worries to close fractionally higher at \$102.93. Prices rallied throughout Tuesday's session – closing up \$1.27 to \$104.20 – on a recovery bounce in outside markets, including a weaker US dollar and stronger equities. But the market gave back all of these gains on Wednesday - closing down \$1.53 to \$102.67 - under pressure from a bigger than expected increase in the weekly crude oil inventory and another flip-flop in outside markets. DOE reported crude oil stocks increased by 3.856 million bbls last week, compared to an expected build of 1.6 million bbls. Distillate stocks fell by 2.908 million bbls, compared to an expected unchanged position; and gasoline inventories fell 3.671 million bbls, compared to an expected draw of 1.0 million bbls. **Crude oil posted fractional losses today (Thursday), closing down \$0.40 to \$102.27 – as early strength eroded into the close. Support came from and improved outside market tone which was countered by disappointing U.S. economic data.**

U.S. WEATHER / CROP WATCH –

Pacific Northwest – the far northwestern wheat belt continued to receive precipitation and cooler temperatures, delaying spring fieldwork in some areas. Other regions saw favorable winter wheat growing conditions and rapid spring planting.

Midwest - Corn & SRW wheat – scattered showers were noted across the northwestern edge, easing dryness concerns in some key areas and another significant rain event is expected to arrive late this week. The exception is the Ohio River Valley where moisture stress is currently developing and potentially affecting about 15% of the Corn Belt and 25% of the SRW region. Some light frost was seen early in the week in the Great Lakes and another cold front is expected to sweep through Minnesota and Wisconsin at the end of the week but the threat of crop damage is limited. Conditions in the near term should favor more rapid planting. A round of moisture is possible in the 11-15 day and again in the 16-30 day models, benefiting spring crop germination and winter wheat heading.

Winter wheat (HRW) – sections of KS and OK received beneficial moisture this week but most areas were dry with warming temps. Recent showers have reduced moisture stress to about 10% of the HRW region. The 6-10 day outlook shows mostly dry and above normal temperatures but beneficial showers are expected in the 11-15 day period, aiding heading and grain fill. **The winter wheat crop condition index score this week was pegged at 363, up 1 points from the previous week and up 54 points from the 10-year average.**

INTERNATIONAL WEATHER / CROP WATCH -

- **Canada** – showers were expected to move through the Canadian Prairies mid week while temperatures remained cool.
- **Brazil/Argentina** – Pockets of dryness linger in some second corn production areas, particularly in the central and southern regions. Argentina continued to see mostly favorable harvest conditions, but colder temperatures and possible light frost are expected in the Buenos Aires region early next week, but at this time poses very little threat to crop damage.
- **Europe** – Widespread beneficial showers continued to bring relief to winter grain production across the continent but reports also confirmed significant winter losses in some areas which supported Paris wheat futures.
- **Black Sea Region** – Scattered showers returned to Ukraine and Russia, interrupting spring planting but boosting soil moisture for winter grains and new crop emergence. A high pressure system is expected to move through Russia next week, bringing unusually warm temperatures.
- **Northern Africa** – Heavy rains benefitted winter grain filling in Morocco and reproductive winter grains across Algeria and Tunisia.
- **Middle East** – Continued shower activity benefitted winter wheat and barley growth.
- **China** – Showers this week were mostly confined to the southwestern fringe of the North China Plains, but more beneficial moisture is expected to move through the winter wheat belt next week. About 15% of the winter wheat crop is considered dry and will need moisture before the end of the month to avoid crop stress and potential yield losses. Mostly warm and dry conditions are allowing rapid corn planting.

USDA Crop Progress / Condition Report, April 16, 2012

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	33% planted	15%	12%	17%			
ID barley	43% planted	20%	30%	31%			
US spring wheat	37% planted	21%	5%	9%			
ID spring wheat	48% planted	19%	30%	35%			
US winter wheat	29% headed	NA	11%	8%	64%	61%	36%
ID winter wheat	0%	NA	0%	0%	87%	87%	
Corn	17% planted	7%	5%	5%			