

**Idaho Grain Market Report, April 23, 2009**

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 22, 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	\$4.25	\$4.85	\$6.80
Idaho Falls	\$6.00	(2-R)\$8.44-\$8.50 (6-R)\$8.44	\$4.32	\$4.98	\$6.49
Blackfoot / Pocatello	\$5.93	(2-R) \$7.50 (6-R) \$7.50	\$4.30	\$4.60	\$6.62
Grace / Soda Springs	\$6.47	(2-R) NQ (6-R) NQ	\$4.18	\$4.52-\$4.78	\$6.24-\$6.47
Burley / Rupert Hazelton	\$6.00	(2-R) \$8.44 (6-R) \$8.44	\$3.15-\$4.15	\$4.68	\$6.26
Twin Falls / Eden / Buhl	\$6.35	(2-R) NQ (6-R) NQ	\$3.85	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.31	NQ	NQ
Nez Perce / Craigmont	\$4.62	(2-R) \$4.62 (6-R) \$4.62	\$4.86	\$5.50	\$7.15
Lewiston	\$5.07	(2-R) \$5.07 (6-R) \$5.07	\$5.05	\$5.69	\$7.34
Moscow / Genesee	\$4.67-\$6.00	(2-R) \$4.67 (6-R) \$4.67	\$4.82-\$5.50	\$5.46-\$6.14	\$7.11-\$7.75

**Trading Prices at Selected Terminal Markets, cash prices FOB**

	Barley (Cwt.)		Malting	Wheat (bu.)		
	#2 Feed 46 lbs. -- unit trains barge	Single rail cars-domestic		#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	Apr \$5.40-\$5.50 Aug NC \$5.30-\$5.50	Apr \$5.99-\$6.14 Aug NC \$6.13-\$6.18	Apr \$7.70-\$7.80 Aug NC \$7.11-\$7.21
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.54	NQ	NQ	\$4.42	\$4.93	\$6.64
Great Falls	\$5.00-\$5.55	NQ	\$8.00	NQ	\$4.60-\$4.85	\$6.88-\$7.08
Minneapolis	\$5.72	NQ	\$8.12	NQ	\$6.07 ½ (12%)	\$7.69 ½ - \$7.74 ½

**Market trends this week**

**BARLEY** – Local barley prices were mixed, ranging from \$1.50 lower to \$.25 higher this week. USDA did not report any barley export sales last week. Barley export shipments totaled .2 TMT for Mexico.

**Barley Competitor/Buyer News** – Ukrainian crop forecasters have cut their 2009 barley production estimate from 10.5 MMT to 9.5 MMT.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 10 cents lower to 29 cents higher; HRW ranged from 1 cent lower to 20 cents higher; and DNS from 15 cents lower to 29 cents higher. U.S. wheat export sales last week were within trade expectations at 232.2 TMT (new crop sales totaled 199.3 TMT), up 91% from the previous week and 8% from the prior 4-week average. Export shipments last week totaled 387.5 TMT, which was down 20% from the week before and 21% from the prior 4-week average.

**Wheat Competitor/Buyer News** – China has reportedly imported wheat for the third consecutive month. **International tenders...** Iraq 50 TMT, Syria 200 TMT, Morocco 190 TMT.

**CORN** – Corn export sales were above trade expectations last week at 1.2 MMT (new crop sales totaled 69.5 TMT), up 40% from the previous week and 11% from prior 4-week average. Export shipments last week totaled 1 MMT, which was up 20% from the previous week and 12% from the prior 4-week average.

**Corn Competitor/Buyer News** – Argentine Buenos Aires Grain Exchange revised their 08/09 corn production estimate downward by .5 MMT this week to 13.0 MMT. USDA pegged their crop at 13.5 MMT on April 9. South Korean feed millers continued to buy U.S. corn this week.

#### Futures market activity this week

The stock market plunged on Monday after a six week, 29% rally from the early March lows. Weakness was attributed to renewed investor concerns about the health of the financial sector. While many large U.S. banks have reported better than expected quarterly earnings (With the notable exception of Morgan Stanley), they also are setting aside tens of billions of dollars to cover future losses looming in their credit card and commercial real estate portfolios. A worse than expected reading from the index of leading economic indicators also provided pressure. The Dow Jones rebounded nicely on Tuesday in what many analysts are calling a classic bear market rally. But as is common in this kind of market, the gains were short-lived as the market fell again on Wednesday as investors continue to battle between conflicting views on what lies ahead for the financial sector – another shoe to drop or a potential big leg up? Stocks were buffeted by more negative economic news today – lower than expected sales of existing homes and a bigger than expected jump in first time unemployment claims – but the Dow was trading higher midday on optimism from higher than expected quarterly earnings reports.

**Wheat** – Wheat futures began the week sharply lower under pressure from a market-wide sell-off sparked by weakness in outside markets and a sharply higher dollar. Warmer, drier weather forecasted for most grain areas this week also weighed on the markets. Prices reversed higher on Tuesday with support from a lower dollar, higher soybeans and technical buying. Gains continued on Wednesday, with MGE leading the way, on support from short covering, lower dollar and ideas that the southwestern hard red winter belt will suffer additional stress from hot, dry and windy conditions this week. Weather models show a wet pattern returning next week which should improve conditions for jointing and heading winter wheat in the Plains, but may continue to delay spring wheat planting. MGE continued to lead wheat higher today (Thursday) on spring planting concerns (ND saw more rains overnight) coupled with further declines in the dollar.

**Wheat market closes on Thursday, 4/23/09...**

	<u>May 09</u>	<u>Weekly Summary</u>	<u>July 09</u>	<u>Weekly Summary</u>
Chicago	\$5.29 <sup>1</sup> / <sub>4</sub>	Up \$.06 <sup>1</sup> / <sub>4</sub>	\$5.40 <sup>3</sup> / <sub>4</sub>	Up \$.06
Kansas City	\$5.84	Up \$.15	\$5.92	Up \$.12 <sup>1</sup> / <sub>2</sub>
Minneapolis DNS	\$6.69	Up \$.33 <sup>1</sup> / <sub>4</sub>	\$6.52 <sup>1</sup> / <sub>4</sub>	Up \$.28 <sup>3</sup> / <sub>4</sub>

**Corn** – Corn prices began the week lower under pressure from fund selling that was fueled by lower crude oil and negative technicals. Prices rebounded on Tuesday with support from short covering, stronger soybeans and improved outside markets. Corn drifted fractionally lower on Wednesday on mixed views about the need for a weather premium due to the slow planting pace. Rapid planting progress was expected this week but wetter weather is projected in both the 6-10 and 11-15 day outlooks. The corn market also remains nervous about efforts underway in California to set a low carbon fuel standard which might have a negative effect on corn-based ethanol consumption there. A vote was expected either Thursday or Friday by the California Air Resources Board. Corn finished higher today (Thursday) on fund buying triggered by a wet forecast starting on Saturday through the middle of next week. **May 09 corn contract closed on Thursday, 4/23/09, at \$3.81, up \$.03 <sup>3</sup>/<sub>4</sub> for the week and the July 09 contract at \$3.90, up \$.04 <sup>1</sup>/<sub>4</sub> for the week.**

#### Commodity Market Outlook

**Soybeans** – most bullish story with the strongest near-term upside potential. Robust export demand has tightened old crop stocks, reinforced by recent Chinese buying pace. Coupled with that is uncertainty about South American crop prospects. Downside risk is limited to negative pressure from energies and other outside markets. **Soybean price advances will provide some spillover support to wheat and corn, as long as acreage battles continue.**

**Corn** – Near-term fundamentals are not that strong, but more bullish MY 09/10 demand and carryover projections could provide some upside potential this fall. What corn needs is a crude oil rally to at least \$55-60/barrel. The corn market has a seasonable tendency to trend down in April and May.

**Wheat** – Has assumed a follower's role, until very recent crop/weather concerns in US wheat crop. Wheat markets are beginning to build in a weather premium, albeit limited, because of flooding and planting delays in many spring wheat areas and declining hard red winter crop ratings. Upside potential will be limited by what the dollar does. Expect more choppy trading until more is known about the 2009 Northern Hemisphere crop.

#### Other Major Factors to Watch

- § **Crude oil** – Crude oil prices plunged 9% on Monday to below \$46/bbl – its worst performance in weeks - on a combination of stronger dollar, weak demand and rising supplies. Prices drifted slightly higher on Tuesday with support from triple digit gains on the stock market. Crude oil shrugged off another bearish weekly petroleum

inventory report on Wednesday which showed larger than expected supplies to close higher at \$48.85. The weekly inventory report showed crude oil stocks increased by 3.9 million barrels compared to an expected build of 2.5 million bbls. Distillate stocks jumped a surprising 2.7 million bbls, compared to an expected draw of 1.0 million bbls. Gasoline stocks increased by 800,000 bbls, compared to an expected draw of 700,000 bbls.

§ **U.S. winter wheat crop rating / frost losses** – Winter wheat crop ratings stabilized this week at 43%, up 1% from the week before but the overall condition index score continued to slide –now pegged at 310 (out of a possible 500), 24 points below the 10-year average. KS crop rating improved to 44% g/ex, but OK and TX both declined, reinforcing the idea that frost damage was more severe in these two states. The OK crop is now rated at 12% g/ex, down from 16% last week (60% poor/very poor); and the TX crop is rated at only 10% g/ex, compared to 12% last week (74% poor/very poor). Drier, warmer weather was seen across much of the Midwest this week, allowing both spring wheat and corn planting to progress, but cooler, wetter weather was expected to return this weekend into early next week (also the 11-15 day outlook).

§ **International Weather Watch –**

- **Europe** – Northeastern region has been dry, reducing soil moisture. Central/western regions have seen beneficial showers for heading winter grains.
- **Russia / Ukraine** – Warmer weather has favored spring grain planting, but also has raised the possibility of drought-reduced yields in Ukrainian production areas.
- **China** – Widespread rains have benefited winter grain development. The Corn Belt has received beneficial rains this week and more is expected.
- **Middle East** – Widespread rains have benefited wheat and barley crops.
- **Northwest Africa** – Widespread rains have benefited wheat and barley crops. Morocco projects their 2009 grain production will reach a record 10.2 MMT due to recent rains.
- **Australia** – Widespread showers in the eastern and southern areas have recharged topsoil moisture just ahead of winter grain planting season.

**USDA Crop Progress / Condition Report, April 20, 2009**

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	9%	3%	20%	21%			
<b>ID barley</b>	<b>31%</b>	<b>10%</b>	<b>38%</b>	<b>40%</b>			
US spring wheat	6%	2%	19%	21%			
<b>ID spring wheat</b>	<b>40%</b>	<b>18%</b>	<b>36%</b>	<b>51%</b>			
US winter wheat	Headed 14%	9%	7%	12%	43%	42%	45%
<b>ID winter wheat</b>	<b>Headed 0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>81%</b>	<b>80%</b>	
US Corn	5%	2%	4%	14%			