

Idaho Grain Market Report, April 28, 2011

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 27, 2011. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$11.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$11.00	(2-R) \$11.25-\$11.75 (6-R) \$11.25	\$7.40	\$8.46	\$11.22
Blackfoot / Pocatello	\$11.45	(2-R) \$11.50 (6-R) NQ	\$7.50	\$7.89	\$11.14
Grace / Soda Springs	\$11.93	(2-R) NQ (6-R) NQ	\$7.55	\$7.83	\$10.68
Burley / Rupert Hazelton	\$11.25-\$11.50	(2-R) \$11.25 (6-R) \$11.25	\$7.30-\$7.50	\$7.86	\$10.62
Twin Falls / Eden / Buhl	\$11.50-\$13.50	(2-R) NQ (6-R) NQ	\$7.00-\$7.25	NQ	NQ
Weiser	\$11.50	(2-R) NQ (6-R) NQ	\$6.89	NQ	NQ
Nez Perce / Craigmont	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$7.44	\$8.71	\$11.81
Lewiston	\$10.85	(2-R) \$10.85 (6-R) \$10.85	\$7.63	\$8.90	\$12.00
Moscow / Genesee	\$10.65-\$12.25	(2-R) \$10.65 (6-R) \$10.65	\$7.40-\$8.10	\$8.67-\$9.32	\$11.77-\$12.09

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	May \$7.85-\$8.05 Aug NC \$7.85-\$8.05	Apr \$9.53-\$9.58 Aug NC \$9.40	Apr \$12.19-\$12.39
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.00	NQ	NQ	\$7.80	\$8.00	\$10.85
Great Falls	\$10.00-\$10.50	NQ	\$11.00	NQ	\$7.00-\$7.20	\$9.20-\$9.26
Minneapolis	\$10.73	NQ	\$13.23	NQ	\$9.10 ½ (12%)	\$12.72 ½ - \$13.12 ½

Market trends this week

BARLEY – Local barley prices were mostly higher this week ranging from no change to \$2.50 higher in southern Idaho and from no change to \$.50 higher in northern Idaho. USDA reported that there were no barley export sales or shipments last week.

Barley Competitor/Buyer News – Stats Canada released its 2011 Canadian planting intentions this week, showing barley area will increase to 7.8 million acres, based on a March 1 survey of grower intentions. If realized Canadian barley acres would be 14% above 2010 but nearly 10% below 2009 harvested acres.

WHEAT – Local wheat prices were mixed this week: SWW ranged from 6 cents lower to 95 cents higher; HRW ranged from 36 cents lower to 26 cents higher; and DNS ranged from 15 cents lower to 38 cents higher. USDA reported that wheat export sales last week were in the mid range of trade expectations at 265 TMT for the current market year (plus sales of 153.2 TMT for MY 2011/12), up 97% from the previous week; however it was down 19% from the prior 4-week average. Cumulative wheat export sales now tally 99.2% of the USDA projection for the marketing year, compared to a 5-year average of 94.6%. Wheat export shipments last week totaled 826.2 TMT, down 4% from the previous week; however it was up 3% from the prior 4-week average.

Wheat Competitor/Buyer News – Stats Canada pegged Canadian wheat acres at 24.7 million acres this year, up 17.4% from the year before, based on March 1 planting intentions. With **serious planting delays across the Canadian prairies, it is highly likely that not all of these acres will get planted to wheat.** Iraq confirmed it purchased 300 TMT of US and Australian wheat and Saudi Arabia purchased 275 TMT of US and Australian wheat this week. Meanwhile Jordan rejected all offers on its most recent 100 TMT import tender and Algeria announced that recent rains have salvaged its domestic wheat crop.

CORN – Corn export sales last week were well below trade expectations at 349 TMT (plus sales of 94.7 TMT for MY 2011/12), down 43% from the previous week and 65% from the prior 4-week average. Cumulative corn export sales now tally 81.5% of the USDA projection for the marketing year, compared to a 5-year average of 78.4%. Corn export shipments last week totaled 907.8 TMT, down 3% from the previous week and 11% from the prior 4-week average.

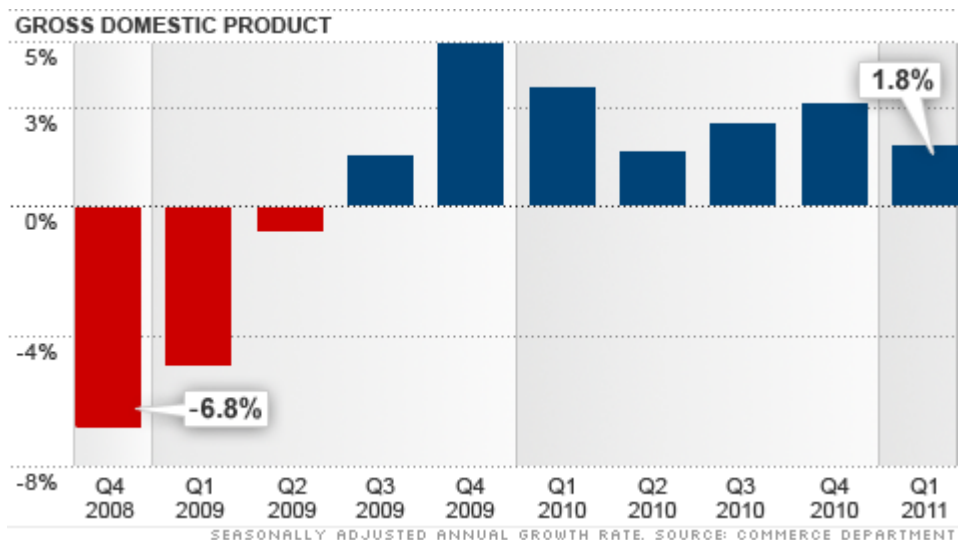
Ethanol corn usage – DOE's Energy Information Agency reported that U.S. ethanol production picked up last week, totaling 883,000 bbls, up 3.15% from the previous week and up 6.13% from last year – **representing a weekly corn usage pace of 92.7 million bushels. Cumulative corn used for ethanol is now pegged at 3.12 billion bu, implying that corn use needs to increase to 100.3 million bushels per week to meet USDA's usage estimate of 5 billion bushels for the marketing year.**

Corn Competitor/Buyer News – Ukrainian officials announced they were lifting their corn export quotas for corn, noting an excess supply of about 2 MMT.

Futures market activity this week

ECONOMY WATCH – In an unprecedented move this week, Federal Reserve Chairman Ben Bernanke held a press conference on Wednesday afternoon following the conclusion of the Fed's two-day monthly Federal Open Market Committee meeting. Chairman Bernanke confirmed the **Fed was holding the line on its accommodating monetary policy for an extended period of time to meet its dual mandate of maximum employment and low inflation.** Their policy includes continuing with their bond-purchasing program (QE2) through its scheduled completion date at the end of June, reinvesting proceeds from maturing mortgage backed debt they purchased in the wake of the 2008 financial collapse and maintaining their short term funds rate at near zero. Bernanke emphasized that the **U.S. economy was continuing to recover at a moderate pace and overall conditions in the U.S. labor market are improving gradually but the housing sector remains depressed.** On inflation, he noted that the recent surge in fuel and food costs will have only a "passing inflationary impact" and that medium term inflationary outlook remains subdued. The Fed pegged U.S. inflation would be in the 2.1 to 2.8% range in 2011 and then drop back to low levels of 1.2 to 2.0% in 2012 and 2013. **The net effect of Fed Reserve actions will likely keep the dollar weak as other major central banks – China, Brazil, Europe – are raising their interest rates to combat higher levels of inflation.**

Meanwhile, the Department of Commerce released their **1Q2011 GDP estimate** on Thursday, showing U.S. GDP growth fell to 1.8% from the 3.1% rate achieved in 4Q2010, due to a sharp rise in oil prices which clearly has become an obstacle to economic growth and other temporary factors such as a prolonged winter which affected consumer spending.



WHEAT – Wheat markets began the week on a follow-through bullish note, soaring double digits as traders focus intensely on a wide range of weather related crop concerns spanning the Northern Hemisphere wheat growing regions, from the U.S. to Canada to Europe and China. Gains could not be sustained on Tuesday, however, as the wheat markets retreated under profit-taking pressures. Wheat continued to break lower on Wednesday in the face of long liquidations triggered by nervousness ahead of the Federal Reserve FOMC announcement on U.S. interest rates as well as improving chances for rains in parts of the southwestern plains and Western Europe. Wheat futures posted double digit losses today (Thursday) in the face of general panic selling triggered by talk of a major fund exiting its commodity investments.

Wheat futures market closes on **Thursday, 04/28/11...**

	May 2011	Weekly Summary	July 2011	Weekly Summary
Chicago	\$7.43	Down \$0.56 ½	\$7.77 ½	Down \$0.57 ¼
Kansas City	\$8.70 ¼	Down \$0.62 ¼	\$8.80	Down \$0.63
Minneapolis DNS	\$9.16 ¾	Down \$0.34 ¾	\$9.23 ¾	Down \$0.37

CORN – Corn markets began the week sharply higher on concerns about limited planting progress and tight near-by stocks. Updated weather forecasts showed a continued wet cool pattern covering at least one-third of the Corn Belt, spelling potential trouble for a new crop that needs to see trend-line yields this year to ease a very tight stocks-to-use situation. Near-by corn contracts continued to move moderately higher on Tuesday, shrugging off profit-taking that pressured most of the grain and oilseed complex. Corn slipped lower on Wednesday pressured by investor nervousness, sharply lower wheat and slightly improving weather forecasts which indicate corn planting could resume in the western edge of the Corn Belt by next week. Corn finished sharply lower today (Thursday) on a wave of fund liquidation that triggered pre-sell stops that accelerated losses, disappointing export sales and talk of better planting weather in the western Corn Belt next week. **May 2011 corn futures contract closed Thursday, 04/28/11, at \$7.23, down \$0.14 ¼ and the July 2011 contact closed at \$7.44 ½, remaining unchanged for the week.**

OTHER MAJOR FACTORS TO WATCH –

- **CRUDE OIL** – Profit-taking pressures kept crude oil in a narrow trading range this week despite a weaker dollar and mounting geopolitical concerns about escalating violence in Syria and no end in sight for the Libyan civil war. Crude oil opened the week at \$112.28/bbl, moved \$.07 lower on Tuesday and \$.55 higher on Wednesday to close at \$112.76/bbl. On Tuesday a Saudi energy executive expressed concerns about the impacts of rising oil prices on global economic recovery and future demand prospects which weighed on the energy markets. **Wednesday's mixed weekly stocks report pushed prices lower initially but then prices rebounded during the day on tightening gasoline stocks.** The weekly government petroleum stocks report showed crude oil stocks jumped a surprising 6.16 million bbls, well above trade expectations of an 1.7 million bbls increase; distillate supplies fell by another 1.8 million bbls; and gasoline stocks declined by 2.5 million bbls, compared to an expected draw of 1.0 million bbls. Gasoline inventories fell to the lowest level since August 2009.
- **U.S. WEATHER / CROP WATCH** – **Cool wet conditions prevailed across much of the Pacific Northwest and Central U.S. this week, stalling fieldwork and planting progress in many areas and causing localized flooding in the lower Mississippi and Ohio River Valleys. Violent storms and tornadoes continued to carve a wide path of destruction through the southeastern region of the country.** **Winter wheat** – Despite some rains this week, the HRW crop remains in generally poor shape confirmed by a continuing slide in the weekly U.S. wheat condition index to a score of 282, the 3rd worst on record and 48 points below the 5-year average. Only 23% of the Kansas crop is rated good to excellent, down 2% from the previous week, while only 5% of the Oklahoma crop is rated good to excellent, down 2%. **Some areas of the dry southwestern plains received beneficial moisture mid week, although coverage and amounts were light, reducing the most severely affected areas to about one-third of the HRW belt.** The 16-30 day outlook calls for warmer and drier than normal conditions. Meanwhile excessive wetness in the soft red winter wheat crop is a concern because of emerging disease threats. **Spring wheat** - The Northern Plains and Canadian Prairies continue to see little if any planting progress. **Planting delays remain in the 10 days to 4 weeks range, raising doubts that all of the projected increase in North Dakota and Canadian wheat acres are likely to get planted this year. The good news – warming temperatures should allow planting progress to pick up mid-month.** **Corn** – At least one-third of the Corn Belt is experiencing planting delays, but the outlook is improving for the northern and western edges into next week. Notable planting delays will remain in the Minnesota, Wisconsin and North Dakota region through mid-May, representing about 15% of the belt.
- **INTERNATIONAL WEATHER / CROPS** -
 - **Canada** – Cold and wet pattern continues **stalling spring grain planting.**
 - **Europe** – Northwestern Europe remained under a high pressure ridge, keeping winter grain areas stressed, but the 6-10 day outlook shows promise for rains across southern France and an active storm track in the 6-15 day period.
 - **Former Soviet Union** – Ukraine and western Russia saw mostly dry mild conditions which promoted winter grain crop growth and spring grain planting. Russia's Southern and Volga Districts received some beneficial moisture for vegetative winter grains but has kept spring planting at a slow pace. Russia's eastern region remained on the dry side.
 - **Middle East** – More widespread heavy rains covered Turkey, Iraq and northwestern Iran, boosting winter grains but causing some localized flooding concerns.
 - **Northern Africa** – Widespread rains returned to this region hampering winter grain maturation and early harvest, but boosting crop prospects for several areas.
 - **China** – Some regions received beneficial moisture last week, aiding reproductive to filling winter wheat and emerging corn. However much of the North China Plains remain dry, affecting about 30% of the winter wheat area while corn planting across Manchuria has been slowed by showers. More rains are expected next week which will continue to slow corn planting progress.
 - **Argentina** – Locally heavy rainfall slowed final corn and soybean harvest.

USDA Crop Progress / Condition Report, April 25, 2011

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. barley	15%	11%	36%	28%			
ID barley	46%	36%	37%	43%			
U.S. spring wheat	6%	5%	39%	25%			
ID spring wheat	49%	35%	45%	50%			
U.S. winter wheat	23% headed	14%	14%	19%	35%	36%	69%
ID winter wheat	0% headed 12% jointed	NA 10% jointed	0% 9% jointed	0% 13% jointed	79%	82%	
Corn	9%	7%	46%	23%			

National Weather Service Climate Prediction Center's Official Outlook for May, June and July 2011, released April 21, 2011

