

# Idaho Grain Market Report, May 2, 2013

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, May 1, 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	\$11.50	(2-R) \$12.92-\$13.00 (6-R) \$12.92	\$7.90	\$7.69	\$7.92
Blackfoot / Pocatello	\$11.35	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.88	\$8.03
Grace / Soda Springs	\$11.00	(2-R) NQ (6-R) NQ	\$8.25	\$7.98	\$8.05
Burley / Rupert	\$11.50	(2-R) \$12.92 (6-R) \$12.92	\$8.00	NQ	NQ
Hazelton					
Twin Falls / Eden / Buhl	\$11.60-\$12.50	(2-R) NQ (6-R) NQ	\$7.60-\$7.80	NQ	NQ
Weiser	\$11.30	(2-R) NQ (6-R) NQ	\$6.59	NQ	NQ
Nez Perce / Craigmont	\$10.10	(2-R) \$10.10 (6-R) \$10.10	\$7.05	\$8.50	\$8.78
Lewiston	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.24	\$8.69	\$8.97
Moscow / Genesee	\$10.15-\$11.75	(2-R) \$10.15 (6-R) \$10.15	\$7.01-\$7.70	\$8.46-\$9.11	\$8.74-\$9.43

## 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 \$7.74-\$7.75 Aug NC \$7.68 ¼- \$7.78 ¼	May \$9.08 ½-\$9.23 ½ Aug NC \$8.56 ¼ - \$8.71 ¼	May \$9.36 - \$9.51 Aug NC \$9.17¼-\$9.32 ¼
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$8.00-\$10.50	NQ	\$12.75	NQ	\$7.75-\$7.98	\$7.91-\$8.33
Minneapolis	\$10.52	NQ	\$14.06	NQ	\$8.67 ¼ (12%)	\$9.25 ¾-\$9.40 ¾

## Market trends this week

**BARLEY** – Local barley prices were lower this week with no change to 70 cents lower reported in southern Idaho and no change reported in northern Idaho. USDA reported barley export sales for MY 2013/14 totaled 1.1 TMT for Taiwan and the Philippines. Export shipments totaled .1 TMT for South Korea last week.

**WHEAT** – Local wheat prices were mixed again this week: SWW ranged from 33 cents higher to 91 cents lower; HRW ranged from 15 to 47 cents higher; and DNS ranged from 4 cents lower to 16 cents higher. USDA reported wheat export sales last week were well above trade expectations at 716.5 TMT (219.2 TMT for MY 2012/13 and 497.3 TMT for 2013/14), up 205% from the previous week, but down 14% from the prior 4-week average. Export shipments last week hit a marketing year high at 845.2 TMT, up 56% from the previous week and 34% from the prior 4-week average.

**CORN** – Corn export sales last week were on the high end of trade expectations at 985.3 TMT (329.3 TMT for MY 2012/13 and 656 TMT for 2013/14) up 5% from the previous week and from the prior 4-week average. Export shipments last week totaled 403.8 TMT, up 25% from the previous week and 10% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported another modest uptick in U.S. ethanol production last week to 857,000 bbls per day (the best in almost a year), up 0.5% from the previous week but down 4.15% from a year

ago. Corn used for ethanol production last week totaled 90 million bu, still slightly behind the weekly pace of 90.96 million bu needed to achieve USDA's projection for the marketing year of 4.55 billion bu. Cumulative corn used for ethanol so far this marketing year totals 2.9 billion bu.

### Futures market activity this week

**Macro-economic trends** – China, Australia and the US reported disappointing manufacturing data this week. As widely expected the European Central Bank cut their interest rates further to help stimulate EU economic growth which has stalled, most notably manufacturing which has contracted for the past 21 consecutive months.

**U.S. economic trends** – U.S. economic news remained mixed ....on the negative side ISM manufacturing index slipped to 50.7 (just above contraction level) and slightly below expectations. Construction spending fell 1.7%, hitting the lowest level since last August. Leading up to Friday's monthly jobs report, ADP projected there was a significant slowdown in private sector job growth last month, adding only 110,000 new jobs to the economy which was well below economists' expectations. On the upside...U.S. homes sales increased by 1.5% last month, much better than expected and the US Consumer Confidence Index jumped more than 8 pts to 68, well above expectations. Weekly jobless claims unexpectedly fell another 18,000 last week to 324,000 - the lowest in 5 years.

**WHEAT** – Wheat began the week trading double digits higher on spillover support from corn and fresh weather uncertainties as the forecast calls for another cold snap across the Great Plains by Thursday morning. Most analysts argue there is a stronger case to be made for a weather risk premium in wheat than in the other grains and oilseeds due to drought and freeze damage that has already been documented in the Hard Red Winter wheat crop. Bigger than expected weekly wheat export inspections also provided underlying support. Wheat prices continued to surge higher on Tuesday on short covering triggered by increasing crop / weather concerns. Prices eased back in choppy trading on Wednesday with most of the pressure from a commodity-wide sell off as funds rebalanced their investments in the new month and markets reacted to poor Chinese manufacturing data. The cold snap in the past month pushed wheat markets finished solidly higher today (Thursday), along with spillover support from corn and strong export sales. **Wheat market closes on Thursday, 5/02/13 ...**

	<b>May 2013</b>	<b>Weekly Summary</b>	<b>July 2013</b>	<b>Weekly Summary</b>	<b>Dec 2013</b>	<b>Weekly Summary</b>
Chicago	\$7.18 <sup>3</sup> / <sub>4</sub>	Up \$0.30	\$7.28 <sup>1</sup> / <sub>2</sub>	Up \$0.36	\$7.52 <sup>1</sup> / <sub>4</sub>	Up \$0.36 <sup>1</sup> / <sub>2</sub>
Kansas City	\$8.02 <sup>1</sup> / <sub>4</sub>	Up \$0.45 <sup>3</sup> / <sub>4</sub>	\$7.90 <sup>3</sup> / <sub>4</sub>	Up \$0.40 <sup>1</sup> / <sub>4</sub>	\$8.14 <sup>3</sup> / <sub>4</sub>	Up \$0.39 <sup>1</sup> / <sub>2</sub>
Minneapolis	\$8.44 <sup>3</sup> / <sub>4</sub>	Up \$0.33 <sup>1</sup> / <sub>2</sub>	\$8.25 <sup>1</sup> / <sub>4</sub>	Up \$0.20 <sup>3</sup> / <sub>4</sub>	\$8.37	Up \$0.29 <sup>3</sup> / <sub>4</sub>
DNS						

**CORN** – Corn futures prices exploded higher on Monday, trading limit up in the nearby contract, as the weather forecast called for another round of cool/wet weather this week with the possibility of substantial accumulation across the belt, halting planting progress which was already far behind the average 5-year pace (5% planted to start the week versus an expected 9% and 31% on average). Corn closed mixed in choppy trading on Tuesday, but ended fractionally lower in the nearby contract in an unwinding of spread trades. Strong cash basis provided some underlying support. Prices continued to erode lower on Wednesday in a clash between concerns about planting delays and negative outside market headwinds. Corn futures led the gains today (Thursday), rocketing higher on stalled planting, an uncertain weather outlook for next week and better than expected export sales. **Corn futures contract closes on Thursday, 5/02/13 for May 2013 at \$6.97 <sup>1</sup>/<sub>2</sub>, up \$0.55<sup>1</sup>/<sub>2</sub>, July 2013 contract at \$6.62, up \$0.42<sup>1</sup>/<sub>4</sub> and the Dec 2013 contract at \$5.59, up \$0.35 for the week.**

**USDA releases their first Supply and Demand Projections for new Marketing Year 2013/14 next week (May 10) with the trade closely watching both wheat and corn yield projections, with many expecting USDA to shave off at least 4 to 6 bushels from their February Outlook Forum's corn trend-line yield projection of 163.6 bpa.**

#### OTHER MAJOR FACTORS TO WATCH –

**CRUDE OIL** – Crude oil prices were very choppy this week, beginning the week with solid gains – up \$1.50 to close at \$94.50 – on ideas that the European Central Bank would launch its own quantitative easing monetary policy at a meeting later in the week as well as a sharp drop in borrowing costs for both Italy and Spain. Prices fell sharply on both Tuesday and Wednesday – shaving off more than \$3 - on concerns about weaker than expected manufacturing data from several key markets and slumping global oil demand, coupled with a report that OPEC suppliers increased their April supply by 194,000 barrels per day to 30.9 million barrels per day. DOE's weekly crude oil inventory report showed crude oil stocks increased substantially more than expected at +6.69 million bbls; compared to an expected build of 1.1 million bbls, with overall stocks now reaching the highest level in 82 years. Distillate stocks increased by 474,000 bbls, compared to an expected build of 250,000 bbls; and gasoline stocks fell by 1.82 million bbls, compared to an expected decline of 900,000 bbls. **Crude oil posted strong gains today (Thursday) – up nearly \$3 to close at \$93.99 – lifted by technical trading on oversold conditions, ECB interest rate cut and better than expected U.S. weekly jobless claims.**

**U.S. WEATHER / CROP WATCH** – The Central U.S. benefitted from a brief stretch of warm, sunny conditions, boosting soil temperatures but left most fields still too wet to plant after the recent 3 to 6 inch accumulation. USDA reported a planting pace of only 5%, which tied the record low set in 1985 versus a 5-year average of 31%. The warming trend was

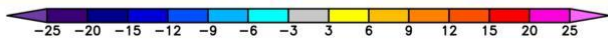
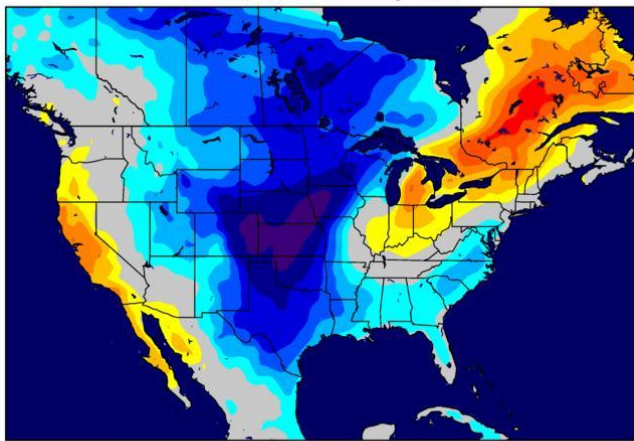
short lived, however, giving way mid week to a cold front, which pushed polar air into the Rockies and Central U.S., bringing a mix of rain and snow across a wide band stretching from the Southern Rockies and Texas Panhandle to northern Wisconsin. The extended forecast calls for cool and mostly dry conditions in the 6-10 day period but then a return to above average chances of moisture in the 11 to 15 day period. **Some analysts are penciling in a 1 to 3 million acre loss of corn acres as a result of persistent planting delays. Other notable crop watchers think it is too soon to be cutting acreage and yield, arguing that weather during pollination and grain fill are more important determinants of final yield than planting date.** **Central/Southern Plains (hard red winter wheat)** – Another cold front plunged into the Great Plains Wednesday and Thursday, hammering hard red winter wheat crops with freezing temperatures for the 3<sup>rd</sup> time in the past month. The Wheat Quality Council's annual Crop Tour this week is projecting highly variable yields across the HRW wheat region due to a combination of prolonged drought and freeze damage. Yields in western/southern KS are pegged at 37.1 bpa vs. 43.7 bpa last year, central and northwest KS yields at 43.8 bpa vs. 53.4 bpa and OK yields at 25.5 bpa vs. 36 bpa. The tour's final yield and crop projections will be released Thursday evening. The 6-10 day outlook calls for cooler than normal conditions and wetter than normal in the 11-14 day period.

**USDA Crop Progress / Condition Report, April 29, 2013**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	36% planted	23%	62%	37%			
<b>ID barley</b>	<b>68% planted</b>	<b>56%</b>	<b>74%</b>	<b>53%</b>			
US spring wheat	12% planted	7%	70%	37%			
<b>ID spring wheat</b>	<b>71% planted</b>	<b>59%</b>	<b>80%</b>	<b>60%</b>			
US winter wheat	14% headed	8%	55%	29%	33%	35%	64%
<b>ID winter wheat</b>	<b>24% jointed</b>	<b>18% jointed</b>	<b>25% jointed</b>	<b>14% jointed</b>	<b>80%</b>	<b>78%</b>	<b>81%</b>
Corn	5% planted	4%	49%	31%			

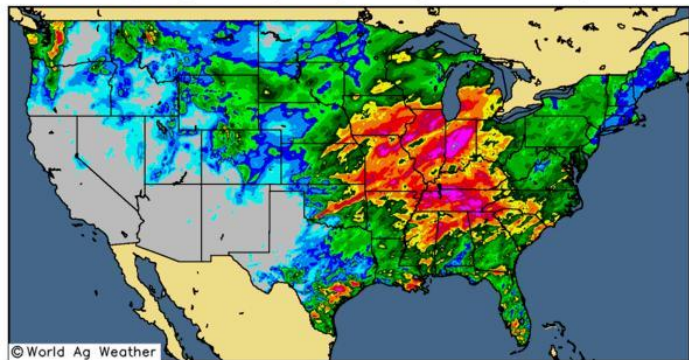
3-Day Temperature Forecast (GFS model)

Difference from normal (°F)  
1 May 2013 – 3 May 2013  
Forecast made on 1 May 2013

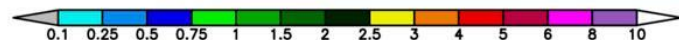


14-day Precipitation Analysis

Observed precipitation (inches) through 12 UTC 30 Apr 2013



© World Ag Weather



**INTERNATIONAL WEATHER / CROP WATCH -**

- **Brazil/Argentina** – Drier weather across Southern and Central Brazil aided harvest and favored second crop corn development. Argentina was mostly dry this week aiding harvest, while their wheat belt received some good rains last weekend and later this week which will aid in planting.
- **Canada** – Cool and wet conditions persist.
- **Europe** –Some areas remain unseasonably cool which has slowed crop development.
- **Black Sea Region** –Warmer weather has accelerated fieldwork, with mostly favorable crop conditions.
- **Northern Africa** – Warm and dry conditions accelerated crop maturity.
- **Middle East** – Late season showers benefitted reproductive to filling grains in Iraq and Iran while cool and mostly dry conditions promoted winter grain development in Turkey.
- **China** – North China Plains received some beneficial showers for winter wheat but more is needed.