

# Idaho Grain Market Report, May 16, 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 15, 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	\$11.00	(2-R) \$12.92-\$13.00 (6-R) \$12.92	\$8.20	\$7.46	\$7.75
Blackfoot / Pocatello	\$11.35	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.85	\$7.63
Grace / Soda Springs	\$11.40	(2-R) NQ (6-R) NQ	\$7.90	\$7.69	\$7.76
Burley / Rupert	\$11.50	(2-R) \$12.92 (6-R) \$12.92	\$7.70	NQ	NQ
Hazelton					
Twin Falls / Eden / Buhl	\$11.60	(2-R) NQ (6-R) NQ	\$7.50	NQ	NQ
Weiser	\$13.00	(2-R) NQ (6-R) NQ	\$7.35	NQ	NQ
Nez Perce / Craigmont	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.07	\$8.15	\$8.52
Lewiston	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$7.26	\$8.34	\$8.71
Moscow / Genesee	\$10.40-\$12.00	(2-R) \$10.40 (6-R) \$10.40	\$7.03-\$7.73	\$8.11-\$8.72	\$8.48-\$9.24

## 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 \$7.68-\$7.73 <sup>3</sup> / <sub>4</sub> Aug NC \$7.42 <sup>1</sup> / <sub>4</sub> - \$7.67 <sup>1</sup> / <sub>4</sub>	May \$8.86 <sup>3</sup> / <sub>4</sub> -\$8.96 <sup>3</sup> / <sub>4</sub> Aug NC \$8.34 <sup>1</sup> / <sub>4</sub> - \$8.49 <sup>1</sup> / <sub>4</sub>	May \$9.18 <sup>3</sup> / <sub>4</sub> Aug NC \$8.93 <sup>1</sup> / <sub>2</sub> -\$9.03 <sup>1</sup> / <sub>4</sub>
Los Angeles	\$15.00	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.00	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$8.00-\$10.50	NQ	\$12.75	NQ	\$7.67-\$7.76	\$7.78-\$8.10
Minneapolis	\$10.62	NQ	\$14.06	NQ	\$8.36 <sup>3</sup> / <sub>4</sub> (12%)	\$8.93 <sup>3</sup> / <sub>4</sub> -\$9.03 <sup>3</sup> / <sub>4</sub>

## Market trends this week

**BARLEY** – Local barley prices were mostly higher this week with no change to 15 cents higher reported in southern Idaho and no change to 25 cents higher reported in northern Idaho. USDA reported barley export sales for MY 2013/14 totaled .1 TMT for Japan, export shipments totaled .2 TMT for Taiwan and South Korea last week.

**USDA's First S&D Projections for New MY 2013/14 for BARLEY – May 10** –USDA pegged beginning stocks at 74 million bu, **2013 production at 200 million bu, unchanged from last year**, domestic feed usage at 75 million bu (up 10 million bu), exports at 10 million bu (up slightly) and **2013 ending stocks unchanged at 74 million bu** . Average farm gate price for U.S. barley was pegged at \$5.30-\$6.30, down from \$6.40 in 2012/13. **World barley production was pegged at 138 MMT, up 6%, and world ending stocks were estimated at 21 MMT, up 6.5%.**

**WHEAT** – Local wheat prices were mixed again this week: SWW ranged from 35 cents lower to 20 cents higher; HRW ranged from 27 cents lower to 24 cents higher; and DNS ranged from 31 cents lower to 1 cent higher. USDA reported wheat export sales last week were above trade expectations at 540.6 TMT (125 TMT for MY 2012/13 and 415.6 TMT for 2013/14), down 48% from the previous week and 52% from the prior 4-week average. **Cumulative wheat export sales now total 96% of the USDA projection for the marketing year which ends May 31, compared to a 5-year average of**

**97%**. Export shipments last week totaled 726.8 TMT, up 30% from the previous week and 11% from the prior 4-week average.

**USDA's First S&D Projections for New MY 2013/14 for WHEAT – May 10** - USDA pegged beginning stocks at 731 million bu, **2013 production at 2.057 billion bu (down 212 million bu or 9%)**, domestic food usage at 958 million bu (up 13 million bu), exports at 925 million bu (down 100 million bu) and **2013 ending stocks at 670 million bu (down 61 million bu or 8%)**. Production was slightly ABOVE the average pre-report trade estimate of 2.015 billion bu and ending stocks were ABOVE the average trade estimate of 603 million bu. USDA pegged the U.S. winter wheat crop down 10% from last year. The average farm gate price for U.S. wheat was pegged at \$6.15-\$7.45/bu, compared to \$7.80 in 2012/13. **World wheat production was pegged at 701 MMT, up 7% from the current year and world ending stocks at 186 MMT, up 3%.**

**Wheat competitor/buyer news** – Iranian wheat imports are expected to plunge sharply to 1 MMT in the new crop year.

**CORN** – Corn export sales last week were within trade expectations at 258.5 TMT (219.9 TMT for MY 2012/13 and 38.6 TMT for 2013/14) which was up 90% from the previous week but down 24% from the prior 4-week average. Cumulative corn export sales now total 90% of the USDA projection for the marketing year which ends Aug 31, right on pace with the 5-year average. Export shipments last week totaled 298.5 TMT, up 55% from the previous week, but down 2% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production increased last week to 857,000 bbls per day, up 1.7% from the previous week but down 5.2% from a year ago. Corn used for ethanol production last week totaled 90 million bu, which is just slightly behind the weekly pace of 91.1 million bu needed to achieve USDA's projection for the marketing year of 4.55 billion bu.

**USDA's First S&D Projections for New MY 2013/14 for CORN – May 10** - For MY 2012/13 which ends Aug. 31, USDA lowered exports by another 50 million bu to 800 million bu due to very slow pace in export sales. They also raised ethanol demand by 50 million bu to 4.6 billion bu and increased ending stocks slightly to 759 million bu (compared to average pre-report trade estimate of 749 million bu).

**For New Marketing Year 2013/14**, USDA pegged beginning stocks at 759 million bu, 2013 production at **record high of 14.14 billion bu** (up 31%, with 2 million acre increase and strong improvements in average yields at 158 bpa compared to 123.4 bpa last year. The yield estimate is below USDA's February forecast of 163 bpa due to slow planting progress. Domestic feed usage was pegged at 5.3 billion bu (up 925 million bu), domestic ethanol usage at 4.850 billion bu (up 250 million bu), exports at 1.3 billion bu (up 550 million bu) U.S. ending stocks were forecast at just over 2 billion bu (up 1.25 billion bu or 164%). This ending stocks projection was in line with pre-report trade estimates. Average farm gate price for U.S. corn was pegged at \$4.30-\$5.10/bu, compared to \$6.70-\$7.10 in the current marketing year. **World corn production was pegged at a new record 966 MMT, up 13% from the current year, while world ending stocks are projected to jump 24% to 155.6 MMT.** USDA is projecting corn production increases for both China (up 4 MMT to 212 MMT) and Ukraine (up 5 MMT to 26 MMT) and lower production for Brazil (down 4 MMT from this year's 72 MMT).

**Futures market activity this week**

**WHEAT** –Wheat markets posted moderate gains to start the week, boosted by strong export inspections and lingering concerns about worsening conditions in the hard red winter wheat crop which is facing heat stress this week on top of drought and freeze damage. Wheat finished narrowly mixed on Tuesday in mostly quiet trade as traders focus on poor U.S. winter wheat conditions but also on the potential for record world wheat production. Wheat prices sagged double digits on Wednesday in the face of little fresh supportive news coupled with a stronger US dollar. Bearish expectations about a record large wheat crop triggered technical selling today (Thursday) and drove wheat prices lower, led by CHI. Wet forecasts for Europe, Black Sea region and Australia in the next 3 to 7 days reinforced ideas that a record large world wheat crop was possible this year. **Wheat market closes on Thursday, 5/16/13 ...**

	<b>July 2013</b>	<b>Weekly Summary</b>	<b>Sept 2013</b>	<b>Weekly Summary</b>	<b>Dec 2013</b>	<b>Weekly Summary</b>
Chicago	<b>\$6.87</b> ¾	<b>Down \$0.16</b> ½	<b>\$6.96</b>	<b>Down \$0.16</b> ½	<b>\$7.13</b>	<b>Down \$0.17</b>
Kansas City	<b>\$7.43</b> ½	<b>Down \$0.15</b> ¼	<b>\$7.51</b> ½	<b>Down \$0.15</b> ½	<b>\$7.68</b> ¼	<b>Down \$0.16</b> ¼
Minneapolis	<b>\$8.04</b>	<b>Down \$0.04</b> ¾	<b>\$7.96</b> ½	<b>Down \$0.08</b> ¼	<b>\$8.02</b> ¼	<b>Down \$0.10</b>
DNS						

**CORN** – Prices rebounded sharply higher on Monday after Friday's muted reaction to **USDA's bearish S&D projections for the new crop year**. Support came from strong cash markets, continued slow planting progress and better than expected weekly export inspections. Corn traded both sides of unchanged in choppy trading on Tuesday as concerns about the slow planting pace (28% completed compared to 65% on average) battled ideas that a 14 billion bushel crop was still possible if weather conditions cooperative during pollination later this summer. Corn closed modestly lower on Wednesday on accelerated planting progress which eased earlier concerns about the slow planting start to the 2013 crop year. Corn posted moderate losses today (Thursday) as traders continued to focus on the rapid planting pace achieved

this week, ahead of the next storm system moving through the Central U.S. this weekend. **Corn futures contract closes on Thursday, 5/16/13 for July 2013 at \$6.41½, up \$0.05¼, Sept 2013 contract at \$5.53¾, down \$0.00¾ and the Dec 2013 contract at \$5.24, down \$0.05½ for the week.**

#### OTHER MAJOR FACTORS TO WATCH –

**CRUDE OIL** – Crude oil prices were under pressure this week from lackluster economic data and a boost in both OPEC and US crude oil production. Prices closed \$.87 lower on Monday to finish at \$95.17 under pressure from disappointing Chinese industrial output and a stronger US dollar. Prices continued to chop lower on Tuesday, closing at \$94.21, under the weight of an International Energy Agency report which suggests that the big boost in US shale oil production will outpace demand in coming years. Wednesday saw prices hold mostly steady at \$94.30 as late session gains from a stock market rally helped erase early losses attributed to weaker than expected U.S. and European economic readings and continued strength in the dollar, which hit a 9½ month high. DOE’s weekly crude oil inventory report showed a surprising downturn in weekly crude oil stocks but a bigger than expected build in both gasoline and distillate supplies. Crude oil inventories fell by 624,000 bbls, compared to an expected build of 450,000 bbls; distillate stocks increased by 2.3 million bbls, compared to an expected build of 475,000 bbls; and gasoline stocks jumped 2.6 million bbls, compared to an expected decline of 1.1 million bbls. **Crude oil prices rebounded today (Thursday), recovering from early session weakness sparked by another round of disappointing U.S. economic data this morning, closing up \$.86 at \$95.16. A lower U.S. dollar provided support.**

**U.S. WEATHER / CROP PROGRESS – PNW** – After record heat to start the week, temps moderated, with showers moving across the region by late week into the weekend. **Corn Belt** - Warm dry conditions encompassed most of the Corn Belt providing a 3 to 5 day planting window for most areas. Many analysts expect corn planting will advance to at least 50% complete by Sunday. Another storm front was expected to arrive by late this week, moving west to east, with the heaviest accumulation likely in the northwestern Corn Belt into the northern Ohio River Valley. **Central / Southern Plains (hard red winter wheat belt)** – Hot dry conditions prevailed this week, likely contributed to further winter wheat crop deterioration during heading. At the start of the week, 45% of the HRW wheat crop was rated poor/very poor, with only two previous years with worse ratings (1987 and 1996), when yields fell about 30% below normal. **Outlook-** The NWS 6- to 10-day outlook calls for near- to above-normal temperatures across the majority of the country, while cooler-than-normal conditions will prevail in the PNW and Upper Midwest. Wetter-than-normal weather is expected across much of the Midwest, followed by another period of dry conditions.

#### USDA Crop Progress / Condition Report, May 13, 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	55% planted	44%	91%	63%			
ID barley	94% planted	82%	94%	79%			
US spring wheat	43% planted	23%	92%	63%			
ID spring wheat	96% planted	82%	94%	85%			
US winter wheat	29% headed	20%	73%	51%	32% g/ex 39% p/vp	32% g/ex 39% p/vp	60% g/ex 14% p/vp
ID winter wheat	37% jointed	27% jointed	52% jointed	34% jointed	82%	81%	82%
Corn	28% planted	12%	85%	65%			

#### INTERNATIONAL WEATHER / CROP PROGRESS -

- **Canada** – Dry seasonably warm conditions improved planting progress.
- **Europe** – Beneficial showers continued across key areas of Western and Central Europe, boosting soil moisture for developing grain crops. The southern Balkans continued to see moisture stress.
- **Black Sea Region** – Ukraine and Southern Russia were warm and mostly dry, although some areas of Southern Russia picked up moisture this week which should help stabilize yields. Meanwhile, Eastern Russia and Kazakhstan saw warmer drier conditions which accelerated spring grain planting.
- **Northern Africa** – Dry weather accelerated maturation and harvesting in Morocco and Tunisia.
- **Middle East** – Drier weather returned to southern Iraq and southwestern Iran, easing flooding conditions. Widespread showers in Turkey benefitted filling grains.
- **China** – Scattered showers across the North China Plains benefitted filling winter wheat.
- **Brazil/Argentina** – Dry weather persisted across much of Brazil, while Argentina was mostly warm and dry which favored corn and soybean harvesting. Some areas of the wheat belt picked up a little moisture this week but the forecast remains mostly unfavorably dry.
- **Australia** – Parts of Eastern Australia received badly needed moisture which will aid winter grain planting and germination.