

# Idaho Grain Market Report, May 23, 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 22, 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	\$11.00	(2-R) NQ (6-R) NQ	\$7.60	\$7.26	\$7.70
Idaho Falls	NQ	(2-R) \$12.92-\$13.00 (6-R) \$12.92	NQ	NQ	NQ
Blackfoot / Pocatello	\$11.35	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.55	\$7.48
Grace / Soda Springs	\$11.50	(2-R) NQ (6-R) NQ	\$7.60	\$7.15	\$7.61
Burley / Rupert	\$11.25-\$11.50	(2-R) \$12.92 (6-R) \$12.92	\$7.60	\$7.20	\$7.64
Hazelton					
Twin Falls / Eden / Buhl	\$11.60	(2-R) NQ (6-R) NQ	\$7.58	NQ	NQ
Weiser	\$13.00	(2-R) NQ (6-R) NQ	\$7.52	NQ	NQ
Nez Perce / Craigmont	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.19	\$8.16	\$8.69
Lewiston	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$7.38	\$8.35	\$8.88
Moscow / Genesee	\$10.40-\$11.75	(2-R) \$10.40 (6-R) \$10.40	\$7.15-\$7.88	\$8.12-\$8.84	\$8.65-\$9.35

## 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 \$7.70-\$7.78 ½ Sep \$7.45 ¾-\$7.60 ¾	May \$8.73 ¼-\$8.83 ¼ Sep \$8.31-\$8.51	May \$9.22 ¾ - \$9.32 ¾ Sep \$8.87 ¼-\$9.02 ¼
Los Angeles	\$14.85	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$14.85	NQ	NQ	NQ	NQ	NQ
Ogden	\$11.80	NQ	NQ	\$7.90	\$7.34	\$7.80
Great Falls	\$8.00-\$10.50	NQ	\$12.75	NQ	\$7.43-\$7.74	\$7.83-\$8.14
Minneapolis	\$10.31	NQ	\$13.75	NQ	\$8.28 ¼ (12%)	\$9.02 ¾ -\$9.07 ¾

## Market trends this week

**BARLEY** – Local barley prices were mixed this week with no change to 10 cents higher reported in southern Idaho and no change to 25 cents lower reported in northern Idaho. USDA reported barley export sales total 1.5 TMT for Taiwan, however there were no export shipments reported last week.

**WHEAT** – Local wheat prices were also mixed again this week: SWW ranged from 30 cents lower to 17 cents higher; HRW ranged from 54 cents lower to 12 cents higher; and DNS ranged from 15 cents lower to 17 cents higher. USDA reported wheat export sales last week were well above trade expectations at 953 TMT (239.4 TMT for MY 2012/13 and 713.6 TMT for 2013/14), up 91% from the previous week and 55% from the prior 4-week average. **Cumulative wheat export sales for MY 2012/13 now total 97% of the USDA projection for the marketing year which ends May 31, compared to a 5-year average of 97.5%.** Export shipments last week totaled 441.7 TMT, down 39% from the previous week and 33% from the prior 4-week average.

**Wheat competitor/buyer news** – The EU granted export licenses for 247 TMT of soft wheat, bringing their cumulative exports to 17.6 MMT compared to 12 MMT the year before. Private crop analyst has pegged Ukrainian wheat crop at 20.3 MMT compared to USDA's forecast of 22 MMT. Egypt signaled this week that they intend to cut their wheat imports sharply in MY 2013/14 from this year's 8 MMT due to a larger domestic crop. Several international tenders are pending this week...Jordan (150 TMT), Algeria (400 TMT), Iraq, and Tunisia.

**CORN** – Corn export sales last week were within trade expectations, at 446.2 TMT (104.6 TMT for MY 2012/13 and 341.6 TMT for 2013/14), down 52% from the previous week and 57% 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, compared to a 5-year average of 91.5%. Export shipments last week totaled 270 TMT, down 10% from the previous week and 11% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production increased last week by 18,000 bbls to 875,000 bbls per day, up 2.1% from the previous week and the largest production in 11 months. Cumulative ethanol stocks continued to decline, indicating that demand is now outstripping increasing production. Corn used for ethanol production last week totaled 91.9 million bu, which is still behind the weekly pace of 94 million bu needed to achieve USDA's projection for the marketing year of 4.55 billion bu.

#### Futures market activity this week

**WHEAT** –Wheat markets began the week mixed in choppy tow sided trading, with pressure coming from lower Paris milling wheat futures and improving weather across Europe and Black Sea regions. Spillover weakness continued to press wheat lower on Tuesday, with added pressure from some beneficial moisture moving across the Eastern Plains which should help stabilize winter wheat yields in this region where crop maturity is behind normal. Wednesday saw wheat prices rebound higher on spillover support from corn and soybeans and concerns about intensifying drought conditions in the southwestern part of the HRW wheat belt as hot dry conditions return to this region this weekend. Wheat posted an impressive rally today (Thursday) on short covering sparked by fresh weather concerns, rumors of Chinese purchases of U.S. SRW wheat and a lower dollar. **Wheat market closes on Thursday, 5/23/13 ...**

	<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	\$7.03 ¼	Up \$0.20	\$7.09 ¾	Up \$0.18 ¾	\$7.23	Up \$0.15 ½
Kansas City	\$7.54 ½	Up \$0.17 ¼	\$7.61 ½	Up \$0.17 ¼	\$7.78 ½	Up \$0.17 ¼
Minneapolis	\$8.13 ¼	Up \$0.09 ½	\$8.05	Up \$0.10	\$8.11 ¾	Up \$0.11 ¼
DNS						

**CORN** – Prices posted modest losses on Monday, pressured by a very active planting pace that was expected to show a record number of acres were planted last week. Better than expected corn export inspections also provided underlying support, but shipments to date still lag the pace needed to reach USDA's projection for the marketing year which ends August 31. USDA did in fact confirm record planting progress on Monday afternoon (increasing from 28% to 71% completed) which sparked fund liquidation selling on Tuesday. However, a return of rains across the Upper Midwest this week and concerns about very slow emergence (19% vs. 46% ave.) helped build a fresh weather premium on Wednesday, pushing prices up double digits. A USDA announcement of 540 TMT of new crop corn export purchases (China 360 TMT and unknown destination 180 TMT) also added support. Corn posted moderate gains today (Thursday) on support from a strong cash market and rising ethanol demand. **Corn futures contract closes on Thursday, 5/23/13 for July 2013 at \$6.62, up \$0.09¼, Sept 2013 contract at \$5.63½, up \$0.07 ½ and the Dec 2013 contract at \$5.34¾, up \$0.15 ¼ for the week.**

#### **OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil prices chopped around this week, moving both directions in reaction to wide fluctuations in both the dollar and stock markets. Prices closed \$.69 higher on Monday to finish at \$96.71, boosted by another record day on Wall Street, but then retreated on both Tuesday and Wednesday under the weight of bearish inventory data and mixed views on how soon the Federal Reserve might begin unwinding its quantitative easing program. DOE's weekly crude oil inventory report showed weekly crude oil stocks fell 338,000 bbls last week, compared to an expected decline of 1 million bbls; distillate stocks fell 1.1 million bbls, compared to an expected build of 1.0 million bbls; and gasoline stocks unexpectedly increased by 3.015 million bbls, compared to an expected decline of 300,000 bbls. **Crude oil prices closed mostly unchanged today (Thursday) at \$94.25 recovering from early session weakness sparked by disappointing Chinese manufacturing data. A lower U.S. dollar provided support.**

**U.S. WEATHER / CROP PROGRESS – PNW** – A surge on unseasonably cool air moved into the PNW and Northern Rockies, bringing scattered rain and snow showers to some areas. **Corn Belt** – A slow moving storm system brought widespread showers to the Central and Northern CB, halting fieldwork in many areas. Another series of storms are expected to move out of the Rockies this weekend into the Western Corn Belt, potentially bringing heavy rainfall to parts of Iowa and Illinois by early next week. **Central / Southern Plains (hard red winter wheat belt)** – Cool and mostly dry conditions prevailed across this region, with the exception of rain showers covering Eastern Kansas and Oklahoma as part of the violent storm system that moved from Texas into Illinois by mid week. Heat is expected to return to this region by the weekend, further stressing a wheat crop that is significantly behind in development (43% headed vs. 62% on average and 80% last year). **Outlook-** Cool air persists across the West and settles into Midwest this weekend, with some frost advisories. Heat will build during the weekend across the High Plains and spread across much of the country later in the week. Showers and thunderstorms will become more numerous during the weekend and early next week across the Plains and western Corn Belt, but dry weather will prevail in the Southwest.

**USDA Crop Progress / Condition Report, May 20, 2013**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	70% planted	55%	97%	77%			
<b>ID barley</b>	<b>99% planted</b>	<b>94%</b>	<b>99%</b>	<b>89%</b>	<b>70% g/ex</b>	<b>NA</b>	<b>67%</b>
US spring wheat	67% planted	43%	98%	76%			
<b>ID spring wheat</b>	<b>99% planted</b>	<b>96%</b>	<b>99%</b>	<b>93%</b>	<b>71% g/ex</b>	<b>NA</b>	<b>68%</b>
US winter wheat	43% headed	29%	80%	62%	31% g/ex 41% p/vp	32% g/ex 39% p/vp	58% g/ex 14% p/vp
<b>ID winter wheat</b>	<b>54% jointed</b>	<b>37% jointed</b>			<b>81% g/ex</b>	<b>82%</b>	<b>91%</b>
Corn	71% planted 19% emerged	28% 5%	95% 73%	79% 46%			

**INTERNATIONAL WEATHER / CROP PROGRESS -**

- **Canada** – Grain planting progressed to 45 to 50% completed this week after rapid progress last week, but rain has returned to many areas, with good chances for more rain over the next 5 days and slightly cooler temperatures.
- **Europe** – Chances are good for more beneficial showers over the next week. Northern Italy has experienced persistently heavy showers and flooding.
- **Black Sea Region** – After recent dryness, grain fields across northern Ukraine and the Volga Valley of Russia benefitted from modest showers this week which is helping to stabilize yields, according to updated vegetative health maps. **The area short of normal rains has shrunk to about 10% of the Ukrainian and about 20% of Russian grain belts.** The 1 to 5 day forecast shows potential for showers across the northern part of the winter grain belt at a critical growth period for the crop. Weather models indicate better than normal chances for timely rainfall in the first half of June.
- **Northern Africa** – Showers slowed wheat harvesting but yield prospects remain very favorable.
- **Middle East** – Widespread showers from Turkey into Northern Iran benefitted filling winter grains.
- **China** – Hot dry conditions accelerated winter grain maturation and dry down across the North China Plains.
- **Brazil/Argentina** – Mostly dry weather this week, which has allowed harvest to advance. Second crop corn is filling in south central Brazil under nearly ideal conditions, with some showers expected over the next 10 days. Most of Argentina is expected to remain dry over the next 10 days allowing for final harvest push. Widespread showers are expected in the 11 to 15 day outlook, benefitting newly planted winter grains
- **Australia** – Eastern Australia continued to receive beneficial moisture this week, improving conditions for winter grain planting and germination.