

Idaho Grain Market Report, May 30, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 29, 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	\$7.61	\$7.26	\$7.62
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	\$7.72	\$7.56
Grace / Soda Springs	\$11.75	(2-R) NQ (6-R) NQ	\$7.62	\$7.07	\$7.63
Burley / Rupert	\$11.25-\$11.50	(2-R) \$12.92 (6-R) \$12.92	\$7.73-\$7.80	\$7.14	\$7.71
Hazelton					
Twin Falls / Eden / Buhl	\$12.00	(2-R) NQ (6-R) NQ	\$7.00	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$6.87	NQ	NQ
Nez Perce / Craigmont	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.16	\$8.03	\$8.61
Lewiston	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$7.35	\$8.22	\$8.80
Moscow / Genesee	\$10.40-\$11.90	(2-R) \$10.40 (6-R) \$10.40	\$7.12-\$7.77	\$7.99-\$8.69	\$8.57-\$9.27

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 \$7.65-\$7.87 ³ / ₄ Sep \$7.66 ¹ / ₄ -\$7.76 ¹ / ₄	May \$8.77 ³ / ₄ -\$8.92 ³ / ₄ Sep \$8.36 ¹ / ₄ -\$8.56 ¹ / ₄	May \$9.30 ³ / ₄ -\$9.40 ³ / ₄ Sep \$8.95-\$9.10
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	\$12.15	NQ	NQ	\$7.95	\$7.30	\$7.80
Great Falls	\$8.00-\$10.50	NQ	\$12.75	NQ	\$7.57-\$7.78	\$7.97-\$8.18
Minneapolis	\$10.52	NQ	\$13.85	NQ	\$8.32 ³ / ₄ (12%)	\$9.15 ³ / ₄ -\$9.35 ³ / ₄

Market trends this week

BARLEY – Local barley prices were higher this week with no change to 40 cents higher reported in southern Idaho and no change to 15 cents higher reported in northern Idaho. USDA's export sales report will be delayed until tomorrow due to the Memorial Day holiday.

WHEAT – Local wheat prices were also mixed again this week: SWW ranged from 65 cents lower to 13 cents higher; HRW ranged from 15 cents lower to 17 cents higher; and DNS ranged from 8 cents lower to 8 cents higher. USDA will report export sales tomorrow. Export shipments last week totaled 577 TMT, above expectations, bringing cumulative shipments to near average for this date.

CORN – Corn export sales will be reported tomorrow. Export shipments last week totaled 315 TMT, still lagging the pace needed to reach USDA's projection for the marketing year which ends August 31.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production fell last week by 12,000 bbls to 863,000 bbls per day, down 1.4% from the previous week and 4.3% below a year ago. Corn used for ethanol production last week totaled 90.6 million bu, but needs to average 94.6 million bu to achieve USDA's projection for the marketing year of 4.55 billion bu.

Futures market activity this week

Macroeconomic news – European economic sentiment rose above expectations this week, led by the best German consumer confidence reading in 5 ½ years. The International Monetary Fund cut their projected Chinese GDP growth this year and next from 8.0% and 8.2% respectively to 7.75% for both years.

U.S. economic news – Speculation continued to swirl over how quickly the Federal Reserve would begin to unwind their easy monetary policy, with statements from Fed officials last week hinting that they were prepared to begin slowing their debt purchases if economic growth remained on course. News this week was mixed, keeping the speculation front and center. The Department of Commerce revised the Q1 US GDP slightly lower to 2.4%, short of expectations, fueling a bias towards a bullish policy remaining in place in the near term, while stronger than expected Consumer Confidence Index (76.2 vs. 69.0 the previous month) and higher than expected home prices (Case-Shiller Price Index rose by 10.9% year/on/year, which is the first double digit gain since 2006), promoted ideas that the Fed would likely begin backing down their aggressive debt purchasing program this summer.

WHEAT – Wheat markets began the week mixed to lower, with MGE posting fractional gains on support from a slow spring wheat planting pace (79% planted vs. 86%ave.). Pressure was noted from mostly favorable growing conditions across the main Northern Hemisphere growing regions. Wheat rebounded higher on Wednesday as traders focused on worsening U.S. winter wheat crop conditions. USDA reported the crop was now rated 42% poor/very poor compared to only 31% good/excellent, which is a multi-year low rating. Wheat closed lower today (Thursday), with CHI leading the downside on news of a discovery of unapproved GMO wheat strain growing in a field in Oregon which prompted Japan to cancel a pending tender to purchase US western white wheat and suspend further WW purchases for the time being.

Wheat market closes on Thursday, 5/30/13 ...

	July 2013	Weekly	Sept 2013	Weekly	Dec 2013	Weekly
		Summary		Summary		Summary
Chicago	\$6.98 ¾	Up \$0.01 ¼	\$7.08	Up \$0.03 ½	\$7.23	Up \$0.05 ½
Kansas City	\$7.46	Up \$0.01 ¾	\$7.55 ¼	Up \$0.02 ½	\$7.74	Up \$0.04 ¾
Minneapolis	\$8.15 ½	Up \$0.09 ¾	\$8.05 ¼	Up \$0.06	\$8.12 ¾	Up \$0.06 ¾
DNS						

CORN – Corn posted solid gains on Tuesday with new crop leading the gains on heightened concerns about the impacts of heavier than expected weekend precipitation which is causing flooding and likely means replanting in some areas and a shift of between 1 to 3 million acres to soybeans or prevented plant. Corn closed mixed, with new crop contracts gaining on nearby which experienced profit-taking pressure. Corn finished modestly lower today (Thursday), with near-by leading the downside on continued profit-taking pressure after a surge in prices earlier in the week. Weather uncertainties which might leave some projected corn acres unplanted this year continue to provide underlying support and will likely keep trading highly volatile for the short term. **Corn futures contract closes on Thursday, 5/30/13 for July 2013 at \$6.54¼, down \$0.03, Sept 2013 contract at \$5.91¾, up \$0.25 and the Dec 2013 contract at \$5.62¾, up \$0.26¼ for the week.**

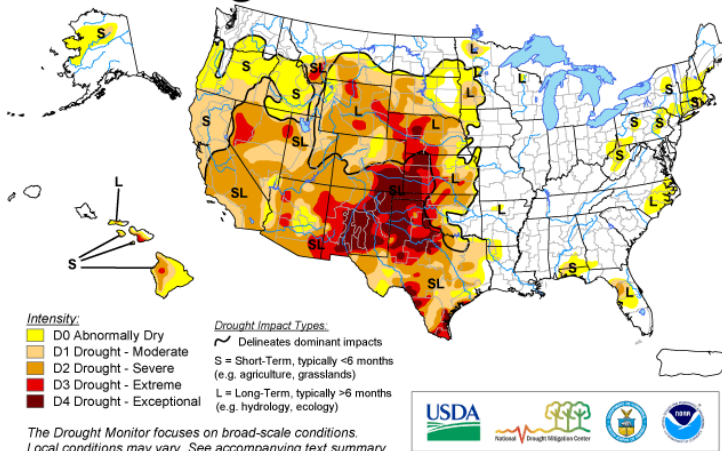
OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Continued choppy trading in crude oil this week, tied to the dollar and equity markets. Prices closed \$.86 higher on Tuesday to finish at \$95.01, lifted by positive outside market sentiment and most notably a strong rally in global equity markets. A fresh geopolitical risk premium also was noted from the widening Syria/Middle East conflict. Gains could not be sustained, however, with prices dropping nearly \$2 on Wednesday to close at a 4-week low of \$93.13 on weakness in equity markets and lower economic growth projections for China. DOE's weekly crude oil inventory report showed weekly crude oil stocks increased by 3.0 million bbls last week, compared to an expected decline of 500,000 bbls; distillate stocks increased by 1.9 million bbls, compared to an expected decline of 450,000 bbls; and gasoline stocks fell 1.5 million bbls. **Crude oil prices posted a modest rebound today (Thursday) – closing at \$93.61 – on ideas that a slightly lower US GDP estimate will prompt the Federal Reserve to maintain their debt buying program.**

U.S. WEATHER / CROP PROGRESS – PNW – Showers and cooler than normal temperatures prevailed this week but conditions are expected to warm into the weekend. **Corn Belt** – Heavier than expected precipitation covered much of the mid Mississippi River Valley last weekend into early this week, causing flooding and halting planting in many areas. Replanting and acreage shifts are expected, particularly in the Western Corn Belt. The 1-5 day outlook favors more heavy rainfall for the northwestern and central Corn Belts, but the 6-10 day outlook has turned drier for much of the Central Midwest. **Northern Plains (hard red spring wheat belt)** – Locally heavy rain blanketed the Dakotas this week, further delaying final spring wheat planting. The 6-10 day outlook calls for cool showery conditions to persist. **Central / Southern Plains (hard red winter wheat belt)** – Parts of the HRW wheat belt received beneficial moisture this week which should aid a slow maturing crop (only 60% headed compared to 72% on average), but many of the driest areas in the southwestern plains were bypassed. Outlook is for drier and warmer conditions next week.

U.S. Drought Monitor

May 28, 2013
Valid 7 a.m. EDT



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Author: Brad Rippey, U.S. Department of Agriculture

<http://droughtmonitor.unl.edu/>

USDA Crop Progress / Condition Report, May 28, 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	78% planted	70%	100%	86%			
ID barley	99% planted	99%	100%	96%	64% g/ex	70%	67%
US spring wheat	79% planted	67%	100%	86%			
ID spring wheat	100% planted	99%	100%	96%	70% g/ex	71%	68%
US winter wheat	60% headed	43%	85%	72%	31% g/ex 42% p/vp	31% g/ex 41% p/vp	54% g/ex 17% p/vp
ID winter wheat	71% jointed 22% bootied	54% jointed			81% g/ex	81%	91%
Corn	86% planted 54% emerged	71% 19%	99% 89%	90% 67%			

INTERNATIONAL WEATHER / CROP PROGRESS -

- **Canada** – Spring grain planting slowed this week in some areas due to heavy precipitation. Alberta reported planting to have advanced to 70%.
- **Europe** – Persistent cool and showery conditions across parts of France and Germany are raising red flags about crop development and potential for disease. Other analysts emphasize the potential for bumper yields.
- **Black Sea Region** – Winter wheat region received beneficial showers this week with good chances for more moisture into early next week. A large storm system is expected to move through the region in the first week of June.
- **Northern Africa** – Wheat maturation and harvest advanced, with favorable yield prospects.
- **Middle East** – Conditions remain very favorable across this region, with harvest starting.
- **China** – Periodic showers across the North China Plains was mostly unfavorable to a maturing winter wheat crop.
- **Brazil/Argentina** – Argentine winter wheat areas received beneficial moisture this week but the outlook is for a drying trend.
- **Australia** – Beneficial showers continued across Western and Southeastern Australia (covering about 40% of the wheat belt), improving conditions for winter grains.