Idaho Grain Market Report, June 2, 2011

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, June 1, 2011. Barley prices in $/Cwt. and wheat prices in $/bu.

	Barley (Cwt.)		Wheat (bu.)		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) $12.50 (6-R) $12.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	NQ	(2-R)$11.25-$12.75 (6-R) $11.25	NQ	NQ	NQ
Blackfoot / Pocatello	$12.33	(2-R) $12.50 (6-R) $12.50	$7.70	$7.45	$11.67
Grace / Soda Springs	$12.79	(2-R) NQ (6-R) NQ	$7.55	$7.59	$10.73
Burley / Rupert Hazelton	$11.50	(2-R) $11.25 (6-R) $11.25	$7.60-$7.70	$7.54	$10.78
Twin Falls / Eden / Buhl	$12.50-$12.60	(2-R) NQ (6-R) NQ	$7.40	NQ	NQ
Weiser	$11.25	(2-R) NQ (6-R) NQ	$6.89	NQ	NQ
Nez Perce / Craigmont	$10.10	(2-R) $10.10 (6-R) $10.10	$7.34	$8.75	$11.89
Lewiston	$10.35	(2-R) $10.35 (6-R) $10.35	$7.53	$8.94	$12.08
Moscow / Genesee	$10.15-$11.75	(2-R) $10.15 (6-R) $10.15	$7.30-$8.00	$8.71-$9.44	$11.85-$12.60

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	June $7.95-$8.05 Aug NC $8.00-$8.05	June $9.41-$9.56 Aug NC $9.42-$9.50	June $12.58-$12.68 Aug NC $11.23-$11.48
Los Angeles	$14.75	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	$14.75	NQ	NQ	NQ	NQ	NQ
Ogden	$12.85	NQ	NQ	$7.85	$7.76	$10.90
Great Falls	$10.00-$10.25	NQ	$12.00	NQ	$6.77-$6.98	$10.32-$11.47
Minneapolis	$10.62	NQ	$14.06	NQ	$9.08 ¼ (12%)	$13.60 ½ - $13.85 ½

Market trends this week

BARLEY – Local barley prices were mostly higher this week ranging from 50 cents lower to 85 cents higher in southern Idaho and 25 cents higher in northern Idaho. Weekly export sales data will be released tomorrow due to the Memorial Day holiday.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from 20 cents lower to 20 cents higher; HRW ranged from 36 to 54 cents lower; and DNS ranged from 25 to 51 cents lower.

Wheat Competitor/Buyers News – Russian President Putin announced that Russia will lift its grain export ban effective July 1, which immediately drove European wheat futures lower on expectations of increased export competition. The Russian Grain Union is projecting Russia will export 15-20 MMT of grain this year with possibly 2-3 MMT of exports immediately before their new crop harvest. The EU granted export licenses for 237 TMT of wheat this week, bringing cumulative wheat exports to 17.7 MMT for the year compared to 16.4 MMT a year ago.

CORN – **Ethanol corn usage –** DOE's Energy Information Agency reported that U.S. ethanol production picked p last week, totaling 909,000 bbls, up 0.78% from the previous week and up 7.32% from last year – **representing a weekly**

corn use of 95.445 million bushels which lags the weekly pace of 102.7 million bu needed to meet USDA's marketing year demand estimate of 5 billion bushels.

Futures market activity this week

WHEAT – Wheat markets began the week on Tuesday sharply lower under pressure from bearish economic headwinds and an announcement that Russia would resume wheat exports after July 1. Wheat continued to post losses on Wednesday as profit-taking was triggered by weather forecasts showing improving chances for rain in dry areas of Europe later in the week and into next week and increased export competition from Russia. Wheat futures finished stronger today (Thursday) as the market focus returned to the continued wet forecast for the Northern Plains and expectations that a sizeable amount of spring wheat acres won't get planted this year. **Wheat futures market closes on Thursday, 06/02/11…**

	July 2011	Weekly Summary	Sept 2011	Weekly Summary
Chicago	**$7.69 ¾**	**Down $0.50**	**$8.18 ¾**	**Down $0.49 ½**
Kansas City	**$9.09**	**Down $0.34**	**$9.28 ¾**	**Down $0.32 ¾**
Minneapolis DNS	**$10.19 ½**	**Down $.36 ¾**	**$9.87 ¼**	**Down $0.41 ½**

CORN – Corn began the week moderately lower on Tuesday on dry planting weather and spillover pressure from sharply lower wheat. Corn shrugged off weakness from a sell-off in wheat and outside markets to post modest gains on Wednesday on a late session rally sparked by strong cash markets and active fund buying. Corn posted solid gains today (Thursday) with the Dec contract posting a fresh contract high on support from a weaker dollar and worries about acreage losses. **July 2011 corn futures contract closed Thursday, 06/02/11, at $7.66 ½, up $0.08 and the Sept 2011 contact closed at $7.41 ½, up $.13 ¼ for the week.**

OTHER MAJOR FACTORS TO WATCH –

- **CRUDE OIL –** Crude oil traded in a narrow choppy range this week – posted a $2 gain on Tuesday (closed at $102.70/bbl) on a weaker dollar, renewed unrest in the Middle East and a pipeline disruption in Canada only to give back its gains on Wednesday on deteriorating macroeconomic trends and expectations that OPEC will raise production quotas at their June meeting. The weekly government petroleum stocks report was bearish…showing crude oil stocks increased by 2.88 million bbls, compared to an expected decline of 1.6 million bbls; distillates fell by 976,000 bbls compared to an expected draw of 250,000 bbls; and gasoline stocks increased by 2.553 million bbls, compared to an expected increase of 900,000 bbls. **Crude oil settled $0.11 lower at $100.40/bbl on Thursday in reaction to the bearish stocks report and weakening domestic economic data.**
- **U.S. WEATHER / CROP WATCH –** Weekend rains were abundant across the Northwestern belt but scattered in the central and eastern regions. Warm dry conditions continued to stress crops in the Southern Plains, while significant rains continued to delay spring grain planting in Montana and North Dakota. **Winter wheat –** The weekly U.S. winter wheat condition index improved slightly to 273, up 4 pts from the previous week, down 95 points from last year and 48 points below average to the third worst score on record. Early harvest results confirm disappointing yields in Texas and Oklahoma. **Spring wheat** – Rain was significant over the weekend in parts of MT and ND and was expected to continue through the 6-15 day period. Two to three day breaks were expected to allow some planting to resume in some areas, but as of the first of June about 4 million acres remains unplanted. **Corn –** Mostly dry warm weather across much of the Corn Belt this week was expected to accelerate planting progress. Crop watchers had expected the corn crop to be 89% planted at the start of the week, but USDA pegged the crop at 86% planted on Tuesday afternoon, leaving about 12.9 million acres unplanted and nearly 3 million acres in Ohio.
- **INTERNATIONAL WEATHER / CROPS -**
  - **Canada** – Planting progress continues with 73% of the grain planted, trailing a normal pace of 87%. Cooler temperatures and rain continued to impede significant progress along the southeastern Saskatchewan and Manitoba border. Estimates indicate that as much as 5 million acres may not get planted this year, which would be less than a year ago.
  - **Europe –** About half of Germany received beneficial rains this week, easing immediate crop stress, but showers only reached about 20% of France's winter wheat acres. Prospects remain good that this region will see more showers next week.
  - **Former Soviet Union** – Southern Russia continued to receive beneficial showers aiding jointing to heading winter grains. Showers returned to the Northwestern half of the winter wheat area but the eastern half of Ukraine is starting to see moisture stress.
  - **Middle East** – Widespread locally heavy rains across Turkey continued to boost moisture for filling winter grains but exacerbated quality concerns.
  - **Northern Africa –** Showers continued to hamper winter grain harvest from northern Morocco into Tunisia.
  - **China –** Beneficial showers have helped somewhat ease drought stress in the Yangtze River basin, but lack of adequate irrigation supplies remains a concern.
  - **Argentina –** Some local rains have continued to delay final corn and soybean harvesting but are boosting soil moisture for winter wheat.
  - **Australia –** Western Australia saw mostly dry conditions aiding winter grain planting, while showers delayed planting in the southern and eastern regions, while boosting soil moisture.

USDA Crop Progress / Condition Report, May 31, 2011

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. barley	72%	57%	96%	95%			
ID barley	**96%**	**87%**	**95%**	**95%**			
U.S. spring wheat	68%	54%	94%	95%			
ID spring wheat	**95%**	**88%**	**99%**	**98%**			
U.S. winter wheat	72% headed	62%	73%	76%	33%	32%	65%
ID winter wheat	**2% headed** 56**% jointed**	**0%** **49% jointed**	**4%**	**9%**	**81%**	**84%**	
Corn	86%	79%	97%	95%	63%	NA	76%