

# Idaho Grain Market Report, June 6, 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, June 5, 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	\$8.00	\$7.75	\$7.10
Blackfoot / Pocatello	\$11.35	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.82	\$7.59
Grace / Soda Springs	\$11.50	(2-R) NQ (6-R) NQ	\$7.40	\$6.80	\$7.68
Burley / Rupert	\$11.25-\$11.50	(2-R) \$12.92 (6-R) \$12.92	\$7.65-\$7.66	\$7.14	\$7.72
Hazelton					
Twin Falls / Eden / Buhl	\$11.60	(2-R) NQ (6-R) NQ	\$7.50	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$7.50	NQ	NQ
Nez Perce / Craigmont	\$10.10	(2-R) \$10.10 (6-R) \$10.10	\$6.80	\$8.04	\$8.63
Lewiston	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$6.99	\$8.23	\$8.82
Moscow / Genesee	\$10.15-\$11.75	(2-R) \$10.15 (6-R) \$10.15	\$6.76-\$7.43	\$8.00-\$8.66	\$8.59-\$9.36

## 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 \$7.39-\$7.46 ½ Sep \$7.39 - \$7.45	June \$8.68 ¼-\$8.88 ¼ Sep \$8.31 ¼-\$8.46 ¼	June \$9.26-\$9.36 Sep \$8.89 ½-\$9.09 ½
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	\$11.80	NQ	NQ	\$7.70	\$6.99	\$8.17
Great Falls	\$8.00-\$10.50	NQ	\$12.75	NQ	\$7.49-\$7.73	\$7.91-\$8.19
Minneapolis	\$10.42	NQ	\$14.06	NQ	\$8.28 ¼ (12%)	\$9.26

## Market trends this week

**BARLEY** – Local barley prices were mostly lower this week with no change to 40 cents lower reported in southern Idaho and 15 to 25 cents lower reported in northern Idaho. USDA reported barley export sales totaled .6 TMT (.1 TMT for MY 2012/13 and .5 TMT for MY 2013/14) all for Taiwan, however there were no export shipments reported last week

**WHEAT** – Local wheat prices were mixed again this week: SWW ranged from 36 cents lower to 63 cents higher; HRW ranged from 27 cents lower to 10 cents higher; and DNS ranged from 1 to 9 cents higher. USDA reported wheat export sales last week were within trade expectations at 664.9 TMT for 2013/14, down considerably from the previous week and from the prior 4-week average. Export shipments last week totaled 528.5 TMT, down 11% from the previous week and 9% from the prior 4-week average.

**CORN** – Corn export sales last week were well below trade expectations, at 158.8 TMT (107.2 TMT for MY 2012/13 and 51.6 TMT for 2013/14), up 25% from the previous week but down 19% from the prior 4-week average. Export shipments last week totaled 359.8 TMT, up 1% from the previous week and 29% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production staged an uptick last week to 885,000 bbls per day, up 2.6% to the highest weekly production level in a year, but still down 2.1% from the same period

a year ago. Corn used for ethanol production last week totaled 92.9 million bu, but still lagging the needed pace of 94.8 million bu to achieve USDA's projection for the marketing year of 4.55 billion bu.

**Corn Competitor/Buyer News** – South Africa sold 50 TMT of corn to South Korea this week. Reports indicate that a large Chinese grain buyer has purchased a cargo of Argentine corn, the first corn traded by Argentina since the two countries inked an import agreement in February 2012.

**Futures market activity this week**

**Global macroeconomic news** – Chinese manufacturing index was revised lower this month to an 8-month low of 49.2 which signals contraction. Their services PMI index inched upward to 51.2, but was below expectations. German factory orders last month were down 2.3% month/month and down 0.4% year/year, which were both weaker than expected. As expected, the European Central Bank and Bank of England kept their record low interest rates unchanged this month.

**U.S. economic news** – A string of lackluster economic readings this week put investors on edge and elevated the level of uncertainty about how quickly the Federal Reserve will begin to unwinding their quantitative easing bond buying program. Both U.S. factory orders (+1.0%) and the ISM services index (53.7) came in weaker than expected this month. The estimate for private sector job creation which will be reported on Friday was pegged at 135,000, below earlier expectations of 171,000. ON the plus side, weekly unemployment claims fell 11,000 to 346,000, but investor worries about tomorrow's monthly jobs report and weaker than expected manufacturing activity continued to weigh on markets.

**WHEAT** – Wheat markets began the week higher on support from a lagging spring wheat planting pace (80% planted vs. 5-year ave. of 92%, with leading producing state North Dakota only 64% planted). Wheat markets closed mixed to lower with nearby pressure from index fund rolling and slight improvements in the HRW crop from recent rains across the Central Plains. Wheat closed lower on Wednesday in the face of mostly favorable growing conditions across the main Northern Hemisphere growing regions, spillover pressure from corn and continued export uncertainties tied to the discovery of genetically modified wheat plants growing in a single field in Oregon. Wheat closed lower again today (Thursday) in choppy trading with the sell off tied to disappointing export prospects as recent big tenders were awarded to competitors. **Wheat market closes on Thursday, 6/06/13 ...**

	<b>July 2013</b>	<b>Weekly Summary</b>	<b>Sept 2013</b>	<b>Weekly Summary</b>	<b>Dec 2013</b>	<b>Weekly Summary</b>
<b>Chicago</b>	<b>\$6.97 ¾</b>	<b>Down \$0.07 ¾</b>	<b>\$7.05 ½</b>	<b>Down \$0.10</b>	<b>\$7.20 ½</b>	<b>Down \$0.09 ½</b>
<b>Kansas City</b>	<b>\$7.38 ½</b>	<b>Down \$0.12 ½</b>	<b>\$7.46</b>	<b>Down \$0.14</b>	<b>\$7.63</b>	<b>Down \$0.15 ¾</b>
<b>Minneapolis</b>	<b>\$8.20 ¼</b>	<b>Up \$0.00 ¼</b>	<b>\$8.05</b>	<b>Down \$0.03 ¼</b>	<b>\$8.11 ¾</b>	<b>Down \$0.03 ¾</b>
<b>DNS</b>						

**CORN** – Corn posted moderate losses to start the week in the face of light profit taking triggered by a lack of fresh news and soybean/corn spread trading. Corn closed mixed to lower on Tuesday, with nearby contract trading higher on strong cash basis driven by increasing ethanol demand. Corn continued to post mixed results on Wednesday with slight gains in the nearby contract in continued old crop/new crop bull spreading and soybean/corn spreading. Corn finished modestly higher today (Thursday), supported by corn planting delays and ideas that prevented plant acreage may be higher than being projected right now (3+million acres). USDA will release an updated monthly S&D report next week (June 12). **Corn futures contract closes on Thursday, 6/06/13 for July 2013 at \$6.63 ¼, up \$0.01 ¼, Sept 2013 contract at \$5.78 ¾, down \$0.19 ¼ and the Dec 2013 contract at \$5.48 ¼, down \$0.09 for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil prices got off to a strong start on Monday – closing up \$1.48 to \$93.45 – overcoming early weakness to post a bullish reversal driven by favorable European economic readings and a weaker dollar. Prices reversed slightly lower on Tuesday in a volatile trading session, with pressure from lackluster economic readings from China and the U. S. Wednesday saw prices rebound slightly to close up \$.43 to \$93.74, boosted by a larger than expected draw in crude oil inventory last week. DOE's weekly crude oil inventory report showed a much higher than expected draw in crude stocks, falling by 6.267 million bbls last week, compared to an expected decline of 800,000 bbls; distillate stocks increased by 2.6 million bbls, compared to an expected build of 1.4 million bbls; and gasoline stocks fell by 400,000 bbls, compared to an expected build of 1.0 million bbls. **Crude oil prices posted strong gains today (Thursday) – closing up \$1.02 at \$94.76 – on support from a sharply lower dollar and lower weekly unemployment claims.**

**U.S. WEATHER / CROP PROGRESS – PNW** – Hot and dry conditions are expected to persist. **Corn Belt** – A slow moving system brought light showers to many areas of the Corn Belt this week, with the heaviest accumulation in the northwestern belt and Missouri River Valley, adding to concerns about localized flooding. Another round of moisture is expected to drop out of the Northern Plains into parts of the Corn Belt this week weekend and late next week, particularly in the ECB. **Northern Plains (hard red spring wheat belt)** – More unwelcome rainfall blanketed the Dakotas this week, further delaying final spring wheat planting. More moisture is in the 6-10 day forecast. **Central / Southern Plains (hard red winter wheat belt)** – Parts of Eastern Kansas and Oklahoma received heavy rainfall this week, but most areas were

dry, allowing for crop maturation and harvesting. Drought conditions persist across a large swath of Central and Southern Plains.

**USDA Crop Progress / Condition Report, June 3, 2013**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	83% planted	78%	100%	93%	66%	NA	
<b>ID barley</b>	<b>99% planted</b>	<b>99%</b>	<b>100%</b>	<b>98%</b>	<b>73% g/ex</b>	<b>64%</b>	<b>68%</b>
US spring wheat	80% planted	79%	100%	92%	64%	NA	78%
<b>ID spring wheat</b>	<b>100% planted</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>73% g/ex</b>	<b>70%</b>	<b>66%</b>
US winter wheat	73% headed	60%	88%	80%	32% g/ex 43% p/vp	31% g/ex 42% p/vp	52% g/ex 18% p/vp
<b>ID winter wheat</b>	<b>14%</b>	<b>---</b>	<b>18%</b>	<b>11%</b>	<b>81% g/ex</b>	<b>81%</b>	<b>90%</b>
Corn	91% planted 71% emerged	86% 54%	100% 96%	95% 82%	63%	NA	72%

**INTERNATIONAL WEATHER / CROP PROGRESS -**

- **Canada** – Spring grain planting is nearing completion.
- **Europe** – Conditions continued to mostly cool and wet across central and northern Europe. The outlook is trending drier into this weekend.
- **Black Sea Region** – Periodic showers are helping maintain mostly favorable crop conditions, although rainfall totals were disappointing in some areas.
- **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 hampered winter wheat harvest, while dry weather in northeastern China exacerbated declining soil moisture needed for emerging and developing corn and bean crops.
- **Brazil/Argentina** – Argentine winter wheat areas were mostly dry this week after last week’s beneficial moisture, but some areas did pick up unexpected showers.
- **Australia** – Rains are widespread across the eastern half of the continent, bringing beneficial moisture to all but a small portion of the eastern winter grain belt. Drier weather is in the 1-5 day outlook. Western Australia could use some moisture before the end of June, but the 6-10 day outlook is not promising.