

# Idaho Grain Market Report, June 20, 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 19, 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	\$7.50	\$7.07	\$7.46
Idaho Falls	\$11.50	(2-R) \$12.92-\$13.00 (6-R) \$12.92	\$7.75	\$7.00	\$7.64
Blackfoot / Pocatello	\$10.62	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.56	\$7.54
Grace / Soda Springs	\$11.37	(2-R) NQ (6-R) NQ	\$6.87	\$6.72	\$7.61
Burley / Rupert	\$11.25-\$11.50	(2-R) \$12.92 (6-R) \$12.92	\$7.25-\$7.80	\$7.06	\$7.45
Hazelton					
Twin Falls / Eden / Buhl	\$12.45	(2-R) NQ (6-R) NQ	\$7.25	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$6.48	NQ	NQ
Nez Perce / Craigmont	\$10.10	(2-R) \$10.10 (6-R) \$10.10	\$7.04	\$7.83	\$8.57
Lewiston	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.23	\$8.02	\$8.76
Moscow / Genesee	\$10.15-\$11.75	(2-R) \$10.15 (6-R) \$10.15	\$7.00-\$7.70	\$7.79-\$8.59	\$8.53-\$9.18

### 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 \$7.54 ¼-\$7.62 Oct \$7.40 - \$7.57	June \$8.59 ¾-\$8.90 ¾ Oct \$8.45 ½ -\$8.50 ½	June \$8.99 ½-\$9.24 ½ Oct \$8.88 ½-\$9.08 ½
Los Angeles	\$15.35	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.35	NQ	NQ	NQ	NQ	NQ
Ogden	\$11.66	NQ	NQ	\$7.07	\$6.91	\$7.90
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$7.12-\$7.46	\$7.80-\$8.07
Minneapolis	\$10.52	NQ	\$14.58	NQ	\$8.25 ½ (12%)	\$9.14 ¾

### Market trends this week

**BARLEY** – Local barley prices were mostly steady this week with some southern Idaho locations 15 to 25 cents higher. Northern Idaho prices held steady. USDA reported barley export sales last week totaled .7 TMT (South Korea) while export shipments totaled .8 TMT for Taiwan.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 32 cents lower to 30 cents higher; HRW ranged from 21 cents lower to 30 cents higher; and DNS ranged from 1 to 18 cents lower. USDA reported wheat export sales last week were within trade expectations at 432.7 TMT. Wheat export shipments last week were strong at 619.1 TMT.

**Wheat Competitor/Buyer News** – Egypt reports they have imported 6.6 MMT of wheat in the current marketing year, down from 10 MMT the previous year, due to poor economic conditions and increased domestic production.

**CORN** – Corn export sales last week were on the low end of trade expectations, at 210.5 TMT (133.4 TMT for MY 2012/13 and 77.1 TMT for 2013/14). Export shipments last week improved to 322.4 TMT.

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production saw another downtick last week to 873,000 bbls per day, down 1.25% from the previous week and down 3% from a year ago. Corn used for ethanol

production last week totaled 91.7 million bu, lagging the weekly pace of 95.3 million bu needed to achieve **USDA's revised projection for the marketing year of 4.65 billion bu.**

**Corn Competitor/Buyer News** – Argentine farmers are reportedly going on strike to protest government farm policies, particularly export taxes. South Korea's largest feed maker reportedly purchased corn from the Black Sea region for the first time ever, emphasizing the rising competition to U.S. corn in this key import region. Argentina has raised its 2012/13 corn output estimate to 26.1 MMT. India is projecting higher corn exports in the coming marketing year due to big crops.

### Futures market activity this week

**U.S. economic trends** – Investors were rattled this week by statements by Federal Reserve Chairman Ben Bernanke that the U.S. economy was improving sufficiently to warrant tapering back on the Fed's \$85 billion/month purchases of mortgage backed securities and Treasuries in the fourth quarter of this year and ending the QE2 purchases by mid 2014. The Fed reiterated they intended to keep U.S. short-term interest rates at record low levels until at least 2015 as long as the unemployment level remained above 6.5% (currently 7.6%) and inflation was below 2.5%.

**WHEAT** – Wheat markets began the week narrowly mixed with MGE modestly lower as spring wheat conditions begin to show improvement with warming temperatures. Strong feed wheat demand and rain delays in HRW wheat harvest provided support. Wheat continued to move higher on Tuesday with spillover support from corn and beans triggering short covering. Concerns about the slow HRW wheat harvest pace continued to provide underlying support, particularly as heat returned to the region shriveling ripening wheat. Wheat finished sharply higher on Wednesday, leading the commodity complex higher on strong technicals which triggered another round of short covering, as well as strong domestic feed demand. Wheat pulled back today (Thursday), with CHI leading the decline on a combination of profit-taking and negative outside markets spooked by the Federal Reserve announcement they would begin tapering their QE2 purchases by the end of this year. **Wheat market closes on Thursday, 6/20/13 ...**

	<u>July 2013</u>	<u>Weekly</u> <u>Summary</u>	<u>Sept 2013</u>	<u>Weekly</u> <u>Summary</u>	<u>Dec 2013</u>	<u>Weekly</u> <u>Summary</u>
Chicago SRW	\$7.00 ½	Up \$0.19 ¾	\$7.07 ¾	Up \$0.19	\$7.19 ¾	Up \$0.18 ¼
KC HRW	\$7.37	Up \$0.25 ½	\$7.38	Up \$0.12 ½	\$7.53	Up \$0.19 ¾
MGE DNS	\$8.14	Up \$0.10	\$7.94	Up \$0.08 ¾	\$8.02	Up \$0.09 ½

**CORN** – Corn posted strong gains to start the week, with old crop leading the advance on supportive corn export shipment data and ideas that an Argentine farmers strike will send more export business our way. Gains were limited by talk of nearly ideal growing conditions (warming temps and ample moisture) in the nearby outlook. New crop contracts led the gains on Tuesday on heightened concerns about lagging crop development, with the combination of more moisture and warming temperatures possibly affecting this year's shallow rooted crop. Prices closed sharply higher on Wednesday, with new crop Dec. contracts leading the gains on talk of a high pressure ridge building heat in the Central U.S. next week. Corn prices retreated today (Thursday) on ideas that the weekend warm-up is actually welcome news, promoting rapid crop growth under generally moist conditions across the Corn Belt. Negative outside markets also added pressure. **Corn futures contract closes on Thursday, 6/20/13 for July 2013 at \$6.73 ¼, up \$0.18 ¼, Sept 2013 contract at \$5.98 ¼, up \$0.26 ½ and the Dec 2013 contract at \$5.60 ½, up \$0.27 ½ for the week.**

### OTHER MAJOR FACTORS TO WATCH –

**CRUDE OIL** – Crude oil prices traded in a narrow range early this week on geopolitical concerns that unrest in Syria will spread to other parts of the Middle East and potentially disrupt global oil supplies. DOE's weekly crude oil inventory report showed a bigger than expected build in crude stocks, increasing by 313,000 bbls last week, compared to an expected decline of 500,000 bbls; distillate stocks declined by 489,000 bbls, compared to an expected build of 925,000 bbls; and gasoline stocks increased by 183,000 bbls, compared to an expected build of 750,000 bbls. **Crude oil prices closed sharply lower today (Thursday) – falling \$2.84 to close at \$95.40 – under the weight of a major equity sell-off and a stronger dollar.**

**U.S. WEATHER / CROP PROGRESS** – **PNW** – Hot dry conditions gave way to beneficial showers late in the week. Most areas are expected to see a big warm-up this weekend. **Corn Belt / Northern Plains (HRS wheat belt)** – Mostly warmer and drier in some areas this week, allowing a final spring grain planting push. Knowledgeable local sources suggest that **as many as 1 to 3 million acres will not get planted this year (about 100,000 acres of barley in North Dakota)**, due to excessive moisture. Another round of showers are expected to move through the Northern Plains and NW Corn Belt on Thursday-Friday, with the heaviest precipitation expected in North and South Dakota, northern Iowa, Minnesota and Wisconsin. A ridge of high pressure is expected to form over the Midwest this weekend, bringing hot temperatures and drier conditions to much of the Central grain belt. About 2/3 of the Midwest could be subjected to extreme heat and prolonged dryness as we move into early July, but most areas enter this dry period with favorable soil moisture. However, some pockets of dryness are emerging. **Central / Southern Plains (HRW wheat belt)** – After suffering drought since planting last fall, this region was hit by heavy rainfall in mid June, mostly too late to make much difference to yields and causing quality concerns and slowing harvest. My mid week drier weather blanketed the Southern Plains, allowing harvest to begin in Kansas.

**USDA Crop Progress / Condition Report, June 17, 2013**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	92% planted 88% emerged	88% 78%	100% 100%	98% 94%	67%	63%	67%
<b>ID barley</b>	<b>100% emerged</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>68% g/ex</b>	<b>73%</b>	<b>62%</b>
US spring wheat	92% planted 84% emerged	87% 71%	100% 100%	97% 94%	68%	62%	76%
<b>ID spring wheat</b>	<b>100% emerged</b>	<b>99%</b>	<b>100%</b>	<b>99%</b>	<b>66% g/ex</b>	<b>69%</b>	<b>61%</b>
US winter wheat	89% headed 11% harvested	82% 5%	94% 51%	91% 25%	31% g/ex 43% p/vp	31% g/ex 42% p/vp	54% g/ex 17% p/vp
<b>ID winter wheat</b>	<b>56% headed</b> <b>0% harvested</b>	<b>38%</b> <b>0%</b>	<b>42%</b> <b>0%</b>	<b>32%</b> <b>0%</b>	<b>79% g/ex</b>	<b>81%</b>	<b>91%</b>
Corn	92% emerged	85%	100%	97%	64%	63%	63%

**INTERNATIONAL WEATHER / CROP PROGRESS -**

- **Canada** – Crop conditions remain mostly favorable with another round of moisture this week.
- **Europe** – Conditions remain favorable across much of Western Europe, but excessive moisture has caused localized flooding and slowed crop development across parts of Central and Eastern Europe. Crops are maturing in southern Europe with reports of much improved yield prospects this year compared to last.
- **Black Sea Region** – Western areas received beneficial moisture helping to maintain mostly favorable crop conditions. Increasingly hot temperatures stressed winter wheat in Southern Russia where harvest has begun.
- **Middle East** – Lingering showers across central and northern Turkey slowed winter grain maturation and harvest.
- **China** – Heavy rains slowed winter wheat harvest across parts of the North China Plains. Rainfall improved corn and soybean conditions in the key production province of Jilin.
- **Brazil/Argentina** – Warm and dry conditions hastened maturation and the start of second crop corn harvest in Southern Brazil. Most areas of Argentina were dry this week, advancing winter wheat planting.
- **Australia** – Soaking rains in Eastern and Southeastern Australia maintained good early season crop conditions.

**Farm Bill in trouble**...the House of Representatives defeated their five-year farm bill, the Federal Agriculture Reform and Risk Management Act, on Thursday afternoon on a vote of 195-234. The Senate passed their version (S. 954) on June 10 on a vote of 66-27. The current one-year extension of the 2008 Farm Bill is set to expire on September 30.

**Summer 2013 Idaho Cereal Field Days...**

**JUNE 24 Craigmont: UI Prairie Area Crop and Conservation Tour**

WHERE: starting in Craigmont Community Center  
 WHEN: 7:00 AM – 12:00 PM, breakfast provided  
 CONTACT: Ken Hart, (208-937-2311) [khart@uidaho.edu](mailto:khart@uidaho.edu)

**25 Kimberly: UI Snake River Weed Management Tour**

WHERE: Kimberly R & E Center  
 WHEN: 8:30 a.m., lunch provided.  
 CONTACT: Don Morishita, (208-423-6616), [don@uidaho.edu](mailto:don@uidaho.edu)

**26 Rupert: UI Cereals Extension Field Day**

WHERE: 700 E. 600 N.  
 WHEN: registration at 9:30 AM. Lunch is provided.  
 CONTACTS: Joel Packham, (208-878-9461) [jpackham@uidaho.edu](mailto:jpackham@uidaho.edu); Juliet Marshall, (208-390-4859), [juliet.marshall@uidaho.edu](mailto:juliet.marshall@uidaho.edu)

**26 Bonnors Ferry: UI Cereals Extension Field Day**

WHERE: Tim Dillin's farm  
 WHEN: 10 AM to Noon, lunch provided  
 CONTACTS: Tim Dillin (208) 290-3773 [tdillin@hotmail.com](mailto:tdillin@hotmail.com); Doug Finkelnburg, [dougf@uidaho.edu](mailto:dougf@uidaho.edu)

**27 Rupert: McGregor Seed Treatment Product Development Field Day**

WHERE: Miller Research, 424 East, 200 North  
 WHEN: 1:00 PM Cereals Tour starts (lunch served at noon)  
 CONTACT: **MUST RSVP** by June 23 by calling Mike Erickson at 208-305-7458 or [mike-erickson@mcgregor.com](mailto:mike-erickson@mcgregor.com)