

## Idaho Grain Market Report, July 15, 2010

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

**Check out our NEW IDAHO GRAIN MARKET ALERT** – this is a new companion grain market service being sponsored by the Idaho Barley Commission and provided by Craig Corbett, grain producer and market analyst from Grace, ID. We want to hear from readers with your questions and comments – please contact us at [kolson@idahobarley.org](mailto:kolson@idahobarley.org).

**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 14, 2010. Barley prices in \$/Cwt. and wheat prices in \$/bu.**

Selected Locations	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) \$6.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.45	\$4.18	\$5.23
Blackfoot / Pocatello	\$5.73	(2-R) \$6.50 (6-R) NQ	\$4.00	\$4.17	\$5.16
Grace / Soda Springs	\$6.10	(2-R) NQ (6-R) NQ	\$4.45	\$4.10-\$4.22	\$5.15-\$5.16
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$4.00	NQ	NQ
Twin Falls / Eden / Buhl	\$6.40	(2-R) NQ (6-R) NQ	\$3.95	NQ	NQ
Weiser	\$5.70	(2-R) NQ (6-R) NQ	\$3.89	NQ	NQ
Nez Perce / Craigmont	\$4.60	(2-R) \$4.60 (6-R) \$4.60	\$4.24	\$4.98	\$5.97
Lewiston	\$4.85	(2-R) \$4.85 (6-R) \$4.85	\$4.43	\$5.17	\$6.16
Moscow / Genesee	\$4.65-\$6.00	(2-R) \$4.65 (6-R) \$4.65	\$4.20-\$4.85	\$4.94-\$5.53	\$5.93-\$6.79

**Trading Prices at Selected Terminal Markets, cash prices FOB**

	Barley (Cwt.)		Wheat (bu.)			
	#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	July \$4.75-\$4.80 Aug NC \$4.80-\$4.95	NQ	NQ
Los Angeles	\$7.75	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.10	NQ	NQ	\$4.65	\$4.43	\$5.64
Great Falls	\$4.50-\$4.95	NQ	\$6.25	NQ	\$3.78-\$3.94	\$5.65-\$6.23
Minneapolis	\$4.48	NQ	NQ	NQ	\$4.98 ¼ (12%)	\$6.23 ¼ - \$6.68 ¼

**Market trends this week**

**BARLEY** – Local barley prices were mixed this week ranging from steady to 50 cents higher in southern Idaho and steady to 25 cents lower in northern Idaho. USDA reported that there were no barley export sales last week. However barley export shipments totaled .7 TMT for Canada.

**Barley Competitor/Buyer News** – USDA lowered its barley production estimates for several countries in their July 9 monthly S&D report: Canadian production was cut by 1.1 MMT to 8.4 MMT, EU production was cut by 2.4 MMT to 56.4 MMT and Russian production was cut by 2.5 MMT to 13.0 MMT.

**WHEAT** – Local wheat prices were mostly higher this week: SWW ranged from 5 to 35 cents higher; HRW ranged from 9 cents lower to 53 cents higher; and DNS ranged from 16 cents lower to 11 cents higher. U.S. wheat export sales last

week were on the low end of trade expectations at 309.4 TMT, which was down 40% from the previous week and 53% from the prior 4-week average. Export shipments last week totaled 355.9 TMT.

**Wheat Competitor/Buyer News** – USDA lowered its wheat production estimates for several major competitors in their July 9 monthly S&D report: Canadian wheat production was cut by 4 MMT to 20.5 MMT and cut exports by 2 MMT to 15.5 MMT; cut EU production by 1 MMT to 141.8 MMT but raised exports by 1 MMT to 23.0 MMT; cut Russian production by 3.5 MMT to 53.0 MMT and cut exports by 2.5 MMT to 15.0 MMT; cut Kazakhstan production by 3 MMT to 14.0 MMT and cut exports by .5 MMT to 8.0 MMT; and cut Indian production by 1 MMT to 79.0 MMT. USDA raised their wheat production estimate for China by 2.5 MMT to 114.5 MMT.

**CORN** – U.S. corn export sales were on the high end of trade expectations at 678.1 TMT for MY 2009/10 and 345.3 TMT for MY 2010/11. Corn export shipments last week totaled 1.04 MMT, up 1% from the previous week and 8% from the prior 4-week average.

### Futures market activity this week

**WHEAT** – Wheat prices began the week mixed with moderate losses in CHI under pressure from weak outside markets and a higher dollar. Prices turned solidly higher on Tuesday, boosted by a sharp break in the dollar and general commodity-wide gains. Wheat prices continued to rally on Wednesday – closing to their highest levels since mid January – on support from a lower dollar and continued crop stresses in Europe and Former Soviet Union. Wheat surged higher again today (Thursday) on global crop concerns. **Wheat market closes on Thursday, 7/15/10 (please note we are reporting Sept and Dec 2010 contracts)...**

	<u>Sept 2010</u>	<u>Weekly Summary</u>	<u>Dec 2010</u>	<u>Weekly Summary</u>
Chicago	\$5.96 ¼	Up \$.58 ¼	\$6.24 ½	Up \$.58
Kansas City	\$6.05 ¾	Up \$.52 ½	\$6.23	Up \$.52 ¼
Minneapolis DNS	\$6.12 ½	Up \$.49 ½	\$6.28 ½	Up \$.49

**CORN** – Corn began the week moderately lower under pressure from a higher dollar and weaker crude oil. Prices continued to drift lower on Tuesday under pressure from generally favorable growing conditions and USDA's unexpected upgrade in the good-to-excellent crop rating (up 2%). Wednesday saw a surge in corn prices as updated weather models showed unfavorably hot temperatures entering the Midwest by next week and extending into August. A lower dollar also provided support. Prices surged higher today (Thursday) on hot weather concerns and better than expected weekly export sales. **Sept 2010 corn contract closed Thursday, 7/15/10, at \$3.92 ¼, up \$.08 ¾ for the week and the Dec 2010 contact closed at \$4.05 ¼, up \$.10 for the week.**

#### OTHER MAJOR FACTORS TO WATCH -

- **Crude Oil** – After big gains last week, crude oil began the week lower under pressure from a higher dollar, losing \$11.4/bbl to just under \$75/bbl. Crude bounced solidly higher on Tuesday to close above \$77/bbl, boosted by a strong performance on Wall Street. Despite a mostly bullish inventory report, prices consolidated slightly lower on Wednesday at \$77.04/bbl. The weekly petroleum inventory report showed crude oil stocks falling 5.058 million bbls, compared to an expected decline of 1.5 million bbls; distillates rose by 2.94 million bbls, compared to an expected increase of 1.0 million bbls; and gasoline stocks increased by 1.6 million bbls, compared to an expected build of 350,000 bbls.
- **U.S. weather / crop watch** – Temperatures were moderate early in the week with welcome rains were received in the eastern Corn Belt. Rains are expected to move into the northwestern Midwest by this weekend and spread through the upper Midwest by Monday. A dome of very hot air was expected to settle over the central Midwest and Southern Plains early next week, with risk for up to 20% of the Midwest Corn to see moisture deficits and crop stress, including drier sections of south-central Nebraska and north-central Kansas. .
- **International weather / crop watch** –
  - **Canada** – Cool showery conditions continued across Saskatchewan and Manitoba, slowing crop development. Scattered rain provided relief in some dry areas of Alberta.
  - **Europe** – Hot dry conditions prevailed across much of Western Europe stressing spring grains, particularly in areas of southern France, Germany and Spain. A cold front over the weekend brought some relief to France, while Germany received only limited showers. Yield losses have been estimated as high as 15% in that country. Meanwhile, locally heavy showers across the Balkans favored reproductive corn crops.
  - **Former Soviet Union** – Drought conditions persisted across a wide swath from eastern Ukraine to Kazakhstan, reducing yield prospects. As much as 40% of the spring wheat belt has been adversely affected with yield losses expected to be as high as 35-40%. Meanwhile, rainfall brought relief to spring grains and interrupted winter grain harvest in parts of western Ukraine and Western Russia.
  - **Middle East** – Late season showers continued to interrupt harvest progress in Turkey.
  - **China** – Beneficial showers provided relief to dry areas of North China Plains helping to stabilize corn yield prospects, while Manchuria continued to receive beneficial moisture.
  - **Argentina / Brazil** – Moisture remained limited in western growing areas.
  - **Australia** – Western Australia received widespread welcome rains, while the south and east saw only scattered showers which have helped maintain adequate moisture for winter grains.

**USDA Crop Progress / Condition Report, July 12, 2010**

<b>Crop</b>	<b>Stage</b>	<b>Previous Week</b>	<b>Previous Year</b>	<b>5-Year Average</b>	<b>Condition rating % good/excellent</b>	<b>Previous Week</b>	<b>Previous Year</b>
US barley	headed 68%	44%	50%	73%	85%	85%	78%
<b>ID barley</b>	<b>headed 61%</b>	<b>38%</b>	<b>58%</b>	<b>66%</b>	<b>98%</b>	<b>97%</b>	
US spring wheat	headed 72%	52%	54%	78%	83%	83%	71%
<b>ID spring Wheat</b>	<b>headed 49%</b>	<b>25%</b>	<b>58%</b>	<b>71%</b>	<b>97%</b>	<b>97%</b>	
US winter wheat	harvested 63%	54%	61%	65%			
<b>ID winter wheat</b>	<b>harvested NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>			
US Corn	silking 38%	19%	15%	26%	73%	71%	71%