

Idaho Grain Market Report, July 18, 2013

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 17, 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	\$11.50	(2-R) \$12.92-\$13.00 (6-R) \$12.92	\$6.40	\$6.52	\$7.03
Blackfoot / Pocatello	\$9.16	(2-R) \$13.00 (6-R) \$13.00	\$6.40	\$6.62	\$7.25
Grace / Soda Springs	\$11.02	(2-R) NQ (6-R) NQ	\$6.29	\$6.48	\$7.30
Burley / Rupert	\$11.50	(2-R) \$12.92 (6-R) \$12.92	\$6.25	\$6.32	\$7.05
Hazelton		(2-R) NQ (6-R) NQ	\$6.00-\$6.40	NQ	NQ
Twin Falls / Eden / Buhl	\$10.70-\$11.00	(2-R) NQ (6-R) NQ	\$6.29	NQ	NQ
Weiser	\$10.94	(2-R) NQ (6-R) NQ	\$6.29	NQ	NQ
Nez Perce / Craigmont	\$9.20	(2-R) \$9.20 (6-R) \$9.20	\$6.69	\$7.36	\$7.89
Lewiston	\$9.45	(2-R) \$9.45 (6-R) \$9.45	\$6.88	\$7.55	\$8.08
Moscow / Genesee	\$9.25-\$11.50	(2-R) \$9.25 (6-R) \$9.25	\$6.65-\$7.40	\$7.32-\$8.04	\$7.85-\$8.55

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	July \$7.15-\$7.35 Nov \$7.22 ¾-\$7.45	July \$8.00 ¾-\$8.12 ¾ Nov \$8.12-\$8.21	July \$8.55 ¼-\$8.65 ¼ Nov \$8.57 ¼-\$8.75 ¼
Los Angeles	\$14.20	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$14.20	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$8.00-\$11.00	NQ	\$13.00	NQ	\$6.73-\$6.86	\$7.31-\$7.38
Minneapolis	\$9.58	NQ	\$14.06	NQ	\$8.07 ¾ (12%)	\$8.35 ¼-\$8.40 ¼

Market trends this week

BARLEY – Local barley prices were mixed this week with southern Idaho locations totaling \$1.60 lower to \$.50 higher and northern Idaho prices reported no change to \$.15 lower. USDA reported barley export sales last week hit a marketing year high at 29 TMT for Libya and Japan while export shipments totaled .2 TMT for the Philippines.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from \$1.35 lower to \$.30 higher; HRW ranged from \$.28 lower to \$.07 higher; and DNS ranged from \$.06 to \$.18 lower. USDA reported wheat export sales last week were below trade expectations at 996.6 TMT and wheat export shipments last week were steady at 726 TMT.

Wheat Competitor/Buyer News – Strategie Grains raised their EU wheat production estimate this week by 1.9 MMT to 133.4 MMT, up 6% from last year. The EU granted 300 TMT of wheat export licenses this week, bringing their cumulative wheat exports in the new marketing year to 590 TMT. They are projecting their wheat exports in MY 2013/14 at a whopping 22.3 MMT. Market analysts think that USDA's Russian and Indian wheat production estimates are too high and will need to be revised lower in coming months. But the dominant news this week continues to be dominated by the recent pace of Chinese wheat imports, with another tender this week to buy 500 TMT Australian wheat. This heavy buying pace indicates that China suffered bigger crop losses than earlier reported. Jordan reportedly purchased 100 TMT of either Black Sea or French wheat this week. Egypt, recently absent from the import market due to a shortage of foreign

currency, issued a snap tender to buy wheat today. Brazil also is reportedly looking to buy U.S. hard red winter wheat, suggesting that Argentina is out of exportable supplies until their new crop harvest which is several months down the road.

CORN - Corn export sales last week were above trade expectations, at 1.75 MMT (153 TMT for MY 2012/13 and 1.6 MMT for 2013/14) which were down 61% from the previous week and 44% from the prior 4-week average. Export shipments last week were reported at 407.3 TMT which were up 53% from the previous week and 49% from the prior 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production saw a slight downtick last week, falling 5,000 barrels to 876,000 bbls per day, down 0.57% from the previous week but up 9.2% from a year ago. Corn used for ethanol production last week totaled 91.98 million bu, but needs to average 97.3 million bbls in order to meet USDA's marketing year projection of 4.65 billion bu. There were reports this week that some ethanol plants are buying and blending up to 10% of wheat in their feedstocks to boost their margins.

Corn Competitor/Buyer News – Strategie Grains lowered their EU corn production estimate this week by 100 TMT to 65.9 MMT, up 15% from last year. Last Friday USDA reported the U.S. sold 960 TMT of new crop corn to China, followed with another announcement of a 120 TMT sale on Monday, bringing their cumulative corn purchases from the U.S. to more than 1.4 MMT

Futures market activity this week

U.S. economic trends – U.S. economic data continued to be mostly positive this week, capped off by Fed Chairman Ben Bernanke's semi-annual testimony to Congress in which he clarified the fed's intentions to maintain a highly accommodative monetary policy so long as inflation remains below 2% and unemployment above 6.5%, reassuring investors and markets around the world. Weekly unemployment claims continued to drop this week, while industrial production and HAHB both came in better than expected. On the flip side, new housing starts and building permit applications fell more than expected, indicating that rising long term interest rates are starting to have an effect on new home construction.

WHEAT – Wheat markets posted double digit losses on Monday on profit-taking sparked by an improving weather outlook which shows better winter wheat harvest conditions across the soft red winter wheat region. Tuesday brought modest gains from spillover support from corn and soybeans. Wheat prices closed modestly lower on Wednesday on selling spurred by improving weather and ideas that U.S. wheat is becoming less price competitive on world markets. Wheat markets finished modestly lower again today (Thursday) under pressure from increased European wheat prospects and improving US weather. **Wheat market closes on Thursday, 7/18/13 ...**

	<u>Sept 2013</u>	<u>Weekly Summary</u>	<u>Dec 2013</u>	<u>Weekly Summary</u>
Chicago SRW	\$6.60 ½	Down \$0.20 ½	\$6.73	Down \$0.20 ¾
KC HRW	\$7.02 ¼	Down \$0.06 ¼	\$7.16	Down \$0.08 ¼
MGE DNS	\$7.50 ¼	Down \$0.16 ¼	\$7.62	Down \$0.16 ¼

CORN – Corn traded sharply lower to start the week on flip-flopping weather models which now show less threatening conditions during the key pollination period. Declining crop condition rating helped boost corn prices on Tuesday. Prices moved lower again on Wednesday as revised weather models turned less threatening with cooler and wetter conditions now expected to return by next week with some lingering heat in the WCB. Nearby corn finished modestly higher today (Thursday) while new crop Dec contract drifted lower in the close under pressure from a mostly favorable weather forecast for the next week. **Corn futures contract closes on Thursday, 7/18/13 for Sept 2013 contract at \$5.41, down \$0.04 ½ and the Dec 2013 contract at \$5.00 ¾, down \$0.08 ½ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices traded in a narrow channel this week, with continued support from outside markets and better demand outlook. DOE's weekly crude oil inventory report continued to show a drawdown in crude oil stocks which were down 6.9 million bbls, compared to an expected decline of 2.0 million bbls; distillate stocks increased by 3.9 million bbls, compared to an expected build of 1.5 million bbls; and gasoline stocks increased 3.1 million bbls, compared to an expected draw of 1.5 million bbls. **Crude oil prices finished sharply higher today (Thursday), closing up \$1.56 to a new contract high of \$108.04/bbl on support from better than expected U.S. economic data and equities rally.**

U.S. WEATHER / CROP PROGRESS – PNW – Hot conditions persisted this week, with rain relief in some areas. **Corn Belt / HRS & SRW wheat belts** – mostly dry and above normal temperatures this week, but updated weather models show cooler and wetter conditions returning by early next week. The Ohio River Valley could see more moisture this weekend, once again disrupting soft red winter wheat harvest. There are reports of sprout damage in unharvested winter wheat crops in this region.

USDA Crop Progress / Condition Report, July 15, 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	76% headed	51%	94%	72%	65%	66%	60%
ID barley	78% headed	59%	93%	74%	66% g/ex	65%	67%
US spring wheat	71% headed	45%	93%	73%	70%	72%	65%
ID spring wheat	80% headed	68%	91%	71%	65% g/ex	70%	58%
US winter wheat	67% harvested	57%	81%	71%			
ID winter wheat					82% g/ex	84%	84%
Corn	16% silking	6%	67%	35%	66%	68%	31%

INTERNATIONAL WEATHER / CROP PROGRESS -

- **Canada** – More of the same...mostly warm and periodic showers benefiting developing grain crops.
- **Europe** – Warmer and drier weather across the region this week is helping to speed grain maturity and early harvest but beginning to stress summer crops in some areas. Rain relief is expected next week.
- **Black Sea Region** – Winter grain harvest is winding down across Ukraine and southern Russia where conditions have remained dry and warm. Summer crops are beginning to see some stress in these areas. Meanwhile, Eastern Russia and Kazakhstan continued to see periodic showers, benefiting spring grains.
- **Middle East** – Hot weather across Turkey has spurred final small grains harvest and is beginning to stress summer crops.
- **China** –Heavy showers boosted soil moisture for reproductive summer crops across the North China Plains but caused localized flooding in some areas.
- **Argentina** – Winter wheat belt remained mostly dry this week.
- **Australia** – More rain in the southeastern production areas this week, maintaining favorable grain crop conditions.

Summer 2013 Idaho Cereal Field Days...

JULY

24 **Aberdeen Twilight Tour**

WHERE: Aberdeen R&E Center

WHEN: 4:00 PM – 8:00 PM, dinner provided

CONTACT: Kristi Copeland 208-307-4181, kcopelan@uidaho.edu

25 **Ashton: UI Cereals Extension Field Day**

WHERE: Don Marotz's farm, 1383 N 4200th E, Ashton, ID

WHEN: 8:30 AM, refreshments provided

CONTACTS: Lance Ellis, (208-624-3102), ellis@uidaho.edu; Juliet Marshall, (208-529-8376), juliet.marshall@uidaho.edu;

25 **NEW THIS YEAR... Tetonia UI Farm: Barley & Potato Field Day**

WHERE: Tetonia Research Farm, along Hwy 33

WHEN: 12:00 - 2:00 PM, BBQ lunch provided

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