

**Idaho Grain Market Report, July 30, 2009**

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**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 29, 2009. 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) \$7.00 (6-R) \$7.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.50	(2-R) NQ (6-R) NQ	\$4.25	\$4.69	\$5.58
Idaho Falls	\$5.50	(2-R)\$6.77 (6-R)\$6.77	\$4.25	\$4.57	\$5.49
Blackfoot / Pocatello	\$5.62	(2-R) \$7.00 (6-R) \$7.00	\$4.25	\$4.60	\$5.70
Grace / Soda Springs	\$6.00	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert	\$5.00	(2-R) \$6.77 (6-R) \$6.77	\$3.96	\$4.48	\$5.45
Hazelton					
Twin Falls / Eden / Buhl	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$4.08	NQ	NQ
Nez Perce / Craigmont	\$4.60	(2-R) \$4.60 (6-R) \$4.60	\$4.45	\$5.16	\$6.18
Lewiston	\$5.05	(2-R) \$5.05 (6-R) \$5.05	\$4.64	\$5.35	\$6.37
Moscow / Genesee	\$4.65-\$6.00	(2-R) \$4.65 (6-R) \$4.65	\$4.41-\$5.22	\$5.12-\$5.89	\$6.14-\$6.88

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

	Barley (Cwt.)		Malting	Wheat (bu.)		
	#2 Feed 46 lbs. -- unit trains barge	Single rail cars- domestic		#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	July \$4.95-\$5.05 Aug NC \$4.95-\$5.05	July \$5.85-\$5.87 Aug NC \$5.85-\$5.92	July \$6.78-\$6.88 Aug NC \$6.78-\$6.88
Los Angeles	\$8.00	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.00	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.65	NQ	NQ	\$4.50	\$4.69	\$5.62
Great Falls	\$4.15-\$4.50	NQ	\$7.00	NQ	\$4.33-\$4.45	\$5.86-\$5.94
Minneapolis	\$4.06	NQ	NQ	NQ	\$5.36 ¼ (12%)	\$6.43 ¼ - \$6.88 ¼

**Market trends this week**

**BARLEY** – Local barley prices were mixed, ranging from no change to \$1.00 lower this week. USDA did not report any barley export sales last week. Barley export shipments totaled .5 TMT for Taiwan and Mexico.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 6 cents higher to 15 cents lower; HRW ranged from 15 cents higher to 14 cents lower; and DNS from 10 cents higher to 13 cents lower. U.S. wheat export sales were above trade expectations last week at 575.1 TMT, which was up 68% from the previous week. Wheat export shipments totaled 307.9 TMT which was 30% below the previous week.

**Wheat Competitor/Buyer News** – Argentine wheat production has been pegged at 11 MMT.

**CORN** - Corn export sales last week were above trade expectations at 485.3 TMT, which was down 36% from the previous week; and 42% from the prior 4-week average. Export sales for MY 09/10 totaled 770.3 TMT. Corn export shipments last week hit a marketing year high at 1.48 MMT which was up 61% from the previous week, and 65% above the prior 4-week average.

## Futures market activity this week

**Wheat** – Wheat futures began the week moderately higher on short covering. Gains were limited, however, by slow export shipments which reinforce concerns about lagging demand. Clearly the wheat markets need to see a bump in demand in order to see a sustained post-harvest rally. Prices slipped lower on Tuesday and Wednesday under pressure from a stronger dollar and weakness in outside markets. Wheat finished higher today (Thursday) from strength in other grain markets, however some of the early gains were given back after the surge in buying slowed and with profit-taking.

**Wheat market closes on Thursday, 7/30/09...**

	<u>Sept 09</u>	<u>Weekly Summary</u>	<u>Dec 09</u>	<u>Weekly Summary</u>
Chicago	\$5.16 ¼	No Change	\$5.43 ¾	Up \$.00 ¼
Kansas City	\$5.49 ½	Up \$.00 ½	\$5.66 ½	Up \$.00 ¾
Minneapolis DNS	\$5.99 ½	Up \$.08	\$6.13 ¼	Up \$.07 ½

**Corn** – Corn market began the week higher on short covering sparked by better than expected corn export shipments and concerns about lagging maturity of the U.S. crop (55% silking vs. average of 76%). These concerns are largely offset, however, by better than average crop conditions which suggest USDA will increase their yield estimate in their August 12 S&D report. Tuesday saw moderately lower prices on a nearly ideal weather outlook and weakness in energies. Corn closed fractionally lower again on Wednesday on the sharp break in crude oil and higher dollar. Corn finished much higher today (Thursday) with strength from both the stock market and other grain markets. A bump in gasoline prices was also seen as a positive for ethanol. **Sept 09 corn contract closed on Thursday, 7/30/09, at \$3.32 ¼, up \$.16 for the week and the Dec 09 contract at \$3.42 ¼, up \$.15 for the week.**

### Other Major Factors to Watch

- § **Crude Oil** – A higher dollar and falling consumer confidence pushed crude oil prices lower early in the week. Wednesday saw the biggest single day drop in more than three months to \$63/bbl on a larger than expected increase in crude oil supplies. The weekly inventory report showed crude oil stocks increased by a whopping 5.2 million bbls compared to an expected draw of 1.5 million bbls. Distillates saw a build of 2.1 million bbls compared to an expected build of 1.0 million bbls, while gasoline stocks fell 2.3 million bbls vs. expectations of little change.
- § **U.S. weather / crop watch** – Same story this week – mostly favorable corn crop conditions persisted across much of the Midwest, but rainfall was limited. Pockets of dryness are reportedly affecting about a quarter of the Corn Belt. Maturity remains well behind normal pace, with silking at the third lowest pace on record. Spring wheat also remains in good shape, with the third best condition rating on record (74% good/excellent vs 59% for a 10-year average). On its first day on the spring wheat crop tour, crop scouts estimated ND yields at 45.7 bu/ac compared to last year's 37.6 bu/ac. Dryness concerns affects about a quarter of the Northern Plains and a third of the Canadian Prairies. Heat from a high pressure ridge in the Western U.S. is now expected to move eastward into mid August.
- § **International weather / crop watch** –
  - § **Canada** – Conditions remain mild but dryness persists in about 20% to 30% of the grain belt.
  - § **Europe** – The northern two-thirds continued to see showery weather while Spain remained dry.
  - § **Russia / Ukraine** – Hot and dry conditions persisted in eastern Ukraine and southern Russia. Winter grain harvesting is advancing while spring grains are stressed. Russian grain analyst has lowered its wheat production estimate by 7% to 59.2 MMT, compared to USDA's most recent projection of 60.0 MMT.
  - § **China** – Showers throughout the main corn growing regions is providing favorable moisture for reproduction.
  - § **India** – Dry conditions persisted in major wheat growing regions.
  - § **Argentina** – Light rainfall in recent days.
  - § **Australia** – Shower activity slowed down but crop conditions remained favorable. Little rain expected over the near term.

### USDA Crop Progress / Condition Report, July 27, 2009

Crop	Progress %	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	95% headed	84%	96%	97%	77%	80%	57%
<b>ID barley</b>	<b>97% headed</b>	<b>94%</b>	<b>93%</b>	<b>95%</b>	<b>93%</b>	<b>94%</b>	
US spring wheat	93% headed	84%	98%	98%	74%	73%	60%
<b>ID spring wheat</b>	<b>98% headed</b>	<b>92%</b>	<b>94%</b>	<b>96%</b>	<b>92%</b>	<b>93%</b>	
US winter wheat	79% harvested	72%	79%	84%			
<b>ID winter wheat</b>	<b>7% harvested</b>	<b>2%</b>	<b>4%</b>	<b>9%</b>	<b>95%</b>	<b>94%</b>	
US Corn	55% silking	31%	55%	76%	70%	71%	66%