

Idaho Grain Market Report, August 18, 2011

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 17, 2011. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$13.05 (6-R) \$13.05	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$11.50	(2-R) \$11.98-\$13.25 (6-R) \$11.98	\$6.65	\$7.07	\$8.76
Blackfoot / Pocatello	\$10.83	(2-R) \$13.05 (6-R) \$13.05	\$6.75	\$7.07	\$8.86
Grace / Soda Springs	\$12.10	(2-R) NQ (6-R) NQ	\$6.80	\$6.89	\$8.65
Burley / Rupert Hazelton	\$12.50	(2-R) \$11.98 (6-R) \$11.98	\$7.05	\$7.06	\$8.74
Twin Falls / Eden / Buhl	\$13.00-\$13.20	(2-R) NQ (6-R) NQ	\$6.70	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.14	NQ	NQ
Nez Perce / Craigmont	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$6.52	NQ	NQ
Lewiston	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$6.71	NQ	NQ
Moscow / Genesee	\$10.40-\$12.00	(2-R) \$10.40 (6-R) \$10.40	\$6.48-\$7.20	\$8.41	\$10.11

Trading 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	Aug \$6.90	Aug \$8.53-\$8.67	Aug \$10.02-\$10.12
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.25	NQ	NQ	\$7.10	\$7.15	\$8.95
Great Falls	\$10.00	NQ	\$13.00	NQ	\$5.91-\$6.55	\$8.72-\$9.69
Minneapolis	\$10.94	NQ	\$16.46	NQ	\$8.76 ¾ (12%)	\$10.61 ¾ - \$10.36 ¾

Market trends this week

BARLEY – Local barley prices were mostly higher, ranging from no change to 50 cents higher in southern Idaho and also no change to 50 cents higher in northern Idaho. USDA reported barley export sales last week at 1.2 TMT for Algeria. Barley export shipments last week totaled 26.2 TMT, also for Algeria.

WHEAT – Local wheat prices were mostly higher this week: SWW ranged from no change to 30 cents higher; HRW ranged from 4 cents lower to 43 cents higher; and DNS ranged from 15 to 54 cents higher. USDA reported wheat export sales last week were low end of trade expectations at 548.8 TMT, up 46% from the previous week and 30% from the 4-week average. Export shipments totaled 646.2 TMT, up 2% from the previous week and 20% from the 4-week average.

Wheat Competitor/Buyer News – Egypt purchased 240 TMT of wheat from Russia and Romania this week.

CORN – Corn export sales last week were on the below trade expectations at 523.8 TMT for both MY 2011 and 2012, which were down 45% from the previous week and 35% from the 4-week average. Corn export shipments last week totaled 902.5 TMT, down 5% from the previous week and 1% from the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported that U.S. ethanol production totaled 899,000 bbls last week, down 0.99% from the previous week but up 4.53% from last year – **representing a weekly corn usage of 95.76 million bushels.**

Futures market activity this week

WHEAT –Wheat began the week with solid gains on expectations of further reductions to spring wheat acreage and yields and lack of moisture in the Southern Plains where winter wheat should be planted in the 4 to 6 weeks. Data showing larger estimates of prevented plant acreage helped wheat shrug off early pressure from weak outside markets to post double digit gains on Tuesday. Wheat extended its gains on Wednesday to reach their highest level in two months, with support from continued talk of disappointing spring wheat yield, improving demand and a lower US dollar. Wheat finished down double-digits today (Thursday) as another wave of investor fears about the weakening global economy triggered across the board fund liquidations **Wheat futures market closes on Thursday, 08/18/11...**

	Sept 2011	Weekly Summary	Dec 2011	Weekly Summary
Chicago	\$7.07 ³ / ₄	Up \$0.05 ¹ / ₄	\$7.39 ¹ / ₄	Up \$0.07
Kansas City	\$7.95	Down \$0.01	\$8.19 ¹ / ₂	Up \$0.00 ³ / ₄
Minneapolis DNS	\$9.10 ³ / ₄	Up \$0.49 ¹ / ₂	\$8.92 ³ / ₄	Up \$0.29 ¹ / ₄

CORN – Corn markets posted modest gains on Monday, with support from a weaker dollar and expectations of another down tick in the weekly crop condition rating. Corn succumbed to early fund selling pressure on Tuesday, but managed to pull off its lows on spillover support from wheat and ideas that corn yields may yet see another decline. December made new contract highs. Wednesday saw modest losses for corn on concerns about future demand impacts from a slowing global economy and improving rain chances in dry areas of Iowa and Illinois. Corn posted losses today (Thursday) under pressure from early profit-taking and a late session sell-off driven by weakness in outside markets. Losses were limited by ideas that the U.S. corn crop yields may dip below 150 bpa this year as dry conditions persist in many key production areas. **Sept 2011 corn futures contract closed Thursday, 08/18/11, at \$6.99, down \$0.02 ³/₄ and the Dec 2011 contact closed at \$7.13, down \$0.01 ¹/₂ for the week.**

OTHER MAJOR FACTORS TO WATCH –

- **CRUDE OIL** – Crude oil continued to chop around, with investor attitudes about slowing global economic growth and euro zone debt woes driving the market in both directions. Crude posted a \$2.50 gain to close at \$87.88 on Monday but then dropped by \$1.23 on Tuesday to close at \$86.65 under pressure from a much weaker than expected 2Q2011 German GDP estimate. Prices stabilized again on Wednesday – posting a gain of \$0.93 to \$87.58/bbl – on a lower dollar, a bigger than expected decline in gasoline stocks and greater investor willingness to take on risk. The weekly government petroleum stocks report was a mixed picture, showing a 4.23 million bbls increase in crude oil stocks, compared to an expected decrease of 500,000 bbls; distillates increased by 2.45 million bbls; and gasoline stocks declined by 3.51 million bbls last week, compared to an expected draw of 1.2 million bbls.

- **U.S. WEATHER / CROP WATCH** – Milder temperatures were prevalent across the Midwest this week, with scattered showers across parts of the upper Midwest. However rainfall amounts have continued to be disappointing in some areas, leaving about 1/3 of the Corn Belt unfavorably dry. Another storm system is expected to move from the Central Plains into the southeast this coming weekend. **The 6-10 day outlook begins with cooler air and a shift in rainfall to the Southern Plains which are expected to see some badly needed moisture, but the 16 to 30 day forecast shows warmer and drier conditions returning to this region,** keeping worries about winter wheat planting conditions on the front burner.

▪ INTERNATIONAL WEATHER / CROP WATCH

- **Canada** – Mostly favorable conditions continued across much of the Western Prairies.
- **Europe** – Conditions turned drier in southeastern England and Northern France, allowing harvest to resume. Other areas continued to experience more showers which hampered small grain maturation and harvest but were beneficial to reproductive to filling summer crops.
- **Former Soviet Union** – Ukraine saw a return of scattered showers which interrupted harvest in some areas. Russia was mostly warm and dry, with a relief from hot temperatures in southern Russia in the past week.
- **China** – Periodic showers continued to favor corn and soybeans.
- **Argentina** – Mostly drier conditions early this week, but moisture was expected to return by this weekend along with a cold front and possible frost damage in the northern production region, threatening about 25% of that country's winter grain crop.
- **Australia** – Western and southeastern regions continued to see intermittent showers and sun which help maintain nearly ideal growing conditions for winter grain. Queensland and New South Wales need moisture as winter grain approaches heading.

USDA Crop Progress / Condition Report, August 15, 2011

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. barley	8% harvested	2%	25%	37%	68%	72%	85%
ID barley	8% harvested	2%	17%	24%	88%	87%	
U.S. spring wheat	13% harvested	6%	31%	39%	66%	66%	82%
ID spring wheat	7% harvested	0%	4%	20%	87%	91%	
U.S. winter wheat	91% harvested	85%	90%	94%			
ID winter wheat	20% harvested	8%	32%	57%	76%	77%	
Corn	52% dough	32%	71%	58%	60%	60%	71%