Idaho Grain Market Report, September 20, 2012

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 19, 2012. Barley prices in $/Cwt. and wheat prices in $/bu.

	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) $13.00 (6-R) $13.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	$12.25	(2-R) NQ (6-R) NQ	$7.80	$8.04	$8.47
Idaho Falls	$13.00	(2-R)$12.60-$12.70 (6-R) $12.60	$7.60	$8.10	$8.42
Blackfoot / Pocatello	$12.91	(2-R) $13.00 (6-R) $13.00	$7.65	$8.32	$8.60
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	$13.00	(2-R) $12.60 (6-R) $12.60	$7.70	NQ	NQ
Twin Falls / Eden / Buhl	$13.40-$13.75	(2-R) NQ (6-R) NQ	$7.16	NQ	NQ
Weiser	$12.50	(2-R) NQ (6-R) NQ	$7.49	NQ	NQ
Nez Perce / Craigmont	$10.85	(2-R) $10.85 (6-R) $10.85	$7.94	$8.89	$9.26
Lewiston	$11.10	(2-R) $11.10 (6-R) $11.10	$8.13	$9.08	$9.45
Moscow / Genesee	$10.90-$12.00	(2-R) $10.90 (6-R) $10.90	$7.90-$8.70	$8.85-$9.55	$9.22-$9.94

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	Sept $8.75-$8.90 Jan $8.95-$9.10	Sept $9.50	NQ
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	$12.20	NQ	NQ	$7.75	$8.16	$8.76
Great Falls	$8.00-$12.00	NQ	$12.50	NQ	$7.98-$8.23	$8.50-$8.78
Minneapolis	$11.56	NQ	$14.79	NQ	$9.40 (12%)	$9.82-$9.92

Market trends this week

BARLEY – Local barley prices were mostly lower this week, ranging from 50 cents lower to 10 cents higher in southern Idaho and 25 cents lower reported in northern Idaho. USDA reported that barley export sales totaled .7 TMT for Japan and export shipments totaled 20.7 TMT also for Japan last week.

WHEAT – Local wheat prices were mixed this week: SWW ranged from no change to 20 cents lower; HRW ranged from 9 cents lower to 10 cents higher; and DNS ranged from 23 cents lower to 13 cents higher. USDA reported wheat export shipments last week were in line with trade expectations at 488.9 TMT which was up 28% from the previous week and 3% from the prior 4-week average. Exports totaled 776 TMT which was up 59% from the previous week and 33% from the prior 4-week average.

Wheat Competitor/Buyer News – Iraq purchased 150 TMT of Russian wheat this week. Egyptian wheat buyers reported this week they had sufficient wheat supplies for the next 7 months, signaling a sharp slowdown in their recent buying spree that has been attribute to their desire to lock up Black Sea wheat before world supplies tighten this winter.

CORN – Corn export sales last week were very disappointing and well below trade expectations, coming in at 69.9 TMT for MY 2012/13. Corn export shipments last week totaled 740 TMT.

Ethanol corn usage – DOE's Energy Information Agency reported that U.S. ethanol production showed an uptick last week to 834,000 bbls per day, up 2.2% from the previous week but down 4.3% from the same period a year ago. Corn used for ethanol last week totaled 87.6 million bu, currently above the pace to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

Futures market activity this week

WHEAT – Wheat could not sustain recent gains, closing sharply lower on Monday in the face of negative outside market headwinds and spillover weakness in soybeans and corn. A higher dollar and profit-taking continued to pressure prices on Tuesday, but losses were somewhat limited by persistent dryness across a large portion of the Pacific Northwest and Western Plains and Australian crop concerns. Commodities reversed direction on Wednesday with wheat exploding higher on a combination of spillover support and short covering. Wheat markets posted slight losses today (Thursday), overcoming headwinds from sharply lower soybeans and negative outside markets. **Wheat market closes on Thursday, 09/20/12** …

	Dec 2012	Weekly Summary	Mar 2013	Weekly Summary
Chicago	**$8.79 ½**	**Down $0.44 ¾**	**$8.91 ½**	**Down $0.45**
Kansas City	**$9.09 ½**	**Down $0.38 ½**	**$9.21 ¼**	**Down $0.37 ½**
Minneapolis DNS	**$9.40 ½**	**Up $0.37 ½**	**$ 9.50**	**Down $0.36 ¼**

CORN – Corn started the week with double digit losses to close at an 8-week low on a combination of advancing harvest hedge pressure and technical selling. Better than expected weekly export shipments were not enough to overcome a wave of profit-taking liquidations. Corn markets trimmed Monday's bearish momentum, but still ended Tuesday's session moderately lower under profit-taking pressure. In a complete reversal, corn surged higher on Wednesday, boosted by aggressive technical and fund buying. Corn could not sustain Wednesday's strong gains, closing moderately lower today (Thursday) under the weight of sharply lower soybeans and more technical selling. **Dec 2012 corn futures contract closed Thursday, 09/20/12, at $7.46, down $0.36 and the Mar 2013 contact closed at $7.49 ½, down $.36 ½ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices trended lower this week with increased volatility attributed to outside market uncertainties and wide swings in the value of the dollar. Crude posted $2 decline on Monday – closing at $96.62 - with technical selling overwhelming risk premium from mounting geopolitical tensions across the Middle East. Prices continued to grind lower on Tuesday – down another $1.33 - on renewed investor worries about slowing global economic indicators and comments from Saudi Arabia they would maintain their high production pace of 10 million bpd to help lower prices to a more economically sustainable level in the face of widespread economic uncertainties. Prices faced more negative downdraft on Wednesday – closing down another $3.31 to just under $92 - on bearish domestic crude oil inventories and a higher dollar tied to a lower risk appetite. DOE's weekly crude oil inventory report showed a surprisingly large jump in stocks, increasing by 8.534 million bbs, compared to an expected increase of 1.0 million bbls; distillates fell by 322,000 bbls, compared to an expected increase of 1.0 million bbls; and gasoline stocks declined by 1.407 million bbls, compared to an expected increase of 1.0 million bbls. **Crude oil chopped around on both sides of today – closing down slightly to $91.87 – under the weight of a higher dollar and another round of weak manufacturing data from China and the euro-zone.**

U.S. WEATHER / CROP WATCH –

Midwest - –Cooler and drier conditions prevailed this week, aiding corn and soybean harvest. Reports indicate that yields are coming in better than expected in some areas as the harvest advances northward. There are chances of a killing frost over the coming weekend in parts of the Upper Midwest. The 6-10 day and 8-14 day outlooks are mostly cool and dry.

Winter wheat planting – Many key winter wheat production areas in the Pacific Northwest and Western Plains remain too dry to begin winter wheat seeding and the nearby outlook remains dry.

INTERNATIONAL WEATHER / CROP WATCH -

- **Brazil –** Southern areas received more rain this week and most corn production regions are expected to see some rain
- **Australia – Key winter grain areas continued to see drier than normal conditions,** although some southeastern areas received beneficial rain early in the week. Western production region was expected to see only spotty rains. **Winter grains have entered the critical heading stage in the east and will be heading in the west by the end of the month.**

USDA Crop Progress / Condition Report, September 17, 2012

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	11% planted	4%	11%	14%			
ID winter wheat	**6% planted**	**3%**	**13%**	**19%**			
Corn	76% mature 26% harvested	58% 15%	40% 8%	41% 9%	24% good/excellent **50% P/VP**	22%	53%