

Idaho Grain Market Report, October 1, 2009
 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, September 30, 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) \$5.50 (6-R) \$5.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$4.15	(2-R) NQ (6-R) NQ	\$3.90	\$3.80	\$4.72
Idaho Falls	\$4.50	(2-R)\$6.00-\$6.25 (6-R)\$6.00	\$4.07	\$3.91	\$5.08
Blackfoot / Pocatello	\$4.37	(2-R) \$5.50 (6-R) \$5.50	\$4.05	\$3.63	\$5.14
Grace / Soda Springs	\$4.91-\$5.00	(2-R) NQ (6-R) NQ	\$3.90	\$3.89	\$4.93
Burley / Rupert Hazelton	\$4.50-\$4.75	(2-R) \$6.00 (6-R) \$6.00	\$3.84-\$4.00	\$3.81	\$4.81
Twin Falls / Eden / Buhl	\$5.90	(2-R) NQ (6-R) NQ	\$3.48	NQ	NQ
Weiser	\$5.50	(2-R) NQ (6-R) NQ	\$3.29	NQ	NQ
Nez Perce / Craigmont	\$4.35	(2-R) \$4.35 (6-R) \$4.35	\$3.72	\$4.51	\$5.70
Lewiston	\$4.80	(2-R) \$4.80 (6-R) \$4.80	\$3.91	\$4.70	\$5.89
Moscow / Genesee	\$4.40-\$5.75	(2-R) \$4.40 (6-R) \$4.40	\$3.68-\$4.35	\$4.47-\$5.14	\$5.66-\$6.23

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	Oct \$4.29-\$4.37 Feb \$4.40-\$4.47	\$5.13-\$5.24	\$6.16-\$6.37
Los Angeles	\$7.50	NQ	NQ	NQ	NQ	NQ
Stockton	\$7.50	NQ	NQ	NQ	NQ	NQ
Tulare	\$7.50	NQ	NQ	NQ	NQ	NQ
Ogden	\$4.99	NQ	NQ	\$4.15	\$4.06	\$5.10
Great Falls	\$3.75	NQ	\$5.00-\$5.50	NQ	\$3.68-\$3.84	\$4.65-\$5.59
Minneapolis	\$4.06	NQ	NQ	NQ	\$4.39 ¾ (12%)	\$5.71 ¾ - \$6.06 ¾

Market trends this week

BARLEY – Local barley prices were mixed, ranging from 25 cents higher to 25 cents lower in southern Idaho this week and 50 cents higher to 25 cents lower in northern Idaho. USDA reported that barley export sales hit a marketing year high at 22,000 MT for Japan last week. Barley export shipments totaled 500 MT for Canada.

USDA Final 2009 Production Estimate (Sept. 30) – USDA pegged the final barley production estimate at 227.38 million bu, up 10% from their August estimate but down 5% from last year. On Oct. 1, USDA's National Agricultural Statistics Service (NASS) announced they may release updated acreage, yield, production and stocks estimates for barley, oats, Durum wheat and other spring wheat in their November 10 *Crop Production* report due to late harvesting in Idaho, Montana, Wyoming and North Dakota. The national average barley yield was pegged at 72.8 bpa, the highest on record since USDA began keeping statistics in 1866. Area seeded to barley was 3.57 million acres, down 2% from the June estimate and down 16% from 2008 and the second lowest planted acreage on record. Idaho barley production was pegged at 48.45 million bu, down 3% from last year. Idaho's average statewide barley yield was pegged at 95 bpa, a new

record high. USDA NASS revised Idaho barley acreage down sharply from their August estimate to 510,000 harvested acres, down 12% from last year.

USDA Quarterly Stocks Report (Sept 30) – USDA pegged U.S. barley stocks on Sept. 1 at 239 million bu, up 15% from a year ago. The June - August 2009 indicated disappearance is 76.8 million bu, down 23% from the same period a year ago. Idaho barley stocks on Sept. 1 are pegged at 48.8 million bu, up 21% from a year ago.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from 14 cents higher to 18 cents lower; HRW ranged from 11 cents higher to 7 cents lower; and DNS ranged from 12 cents higher to 10 cents lower. U.S. wheat export sales last week were within trade expectations at 538.2 TMT, up 6% from the previous week and 13% from the prior 4-week average. Wheat export shipments hit another marketing year high last week at 631.3 TMT, up 2% from the previous week and 21% above the prior 4-week average. Cumulative wheat export sales now total 41.6% of the expected total for the year, still well below the 5-year average pace of 55.1%.

USDA Final 2009 Production Estimate (Sept. 30) – USDA pegged the all wheat production at 2.22 billion bu, up 2% from their August estimate but down 11% from 2008. This was 26 million bu above the average pre-report trade estimate of 2.194 billion bu. Winter wheat production was estimated at 1.52 billion bu, down 18%; other spring wheat was 588 million bu, up 7%; and Durum wheat production was 110 million bu, up 31%. The spring wheat estimate was 39 million bu higher than the August estimate, with most of the increase coming from North Dakota, and the biggest crop since 1996, despite a near record late start which might have cut this year's crop short. Total wheat planted area was pegged at 50.1 million, down 10% from last year, and average yields were 44.4 bpa, down 0.5 bu from last year. Idaho wheat production was pegged at 99.09 million bu, up .9% from last year. Harvested area was pegged at 1.25 million acres, down 6% from last year. Idaho's average statewide wheat yield was pegged at 79.3 bpa

USDA Quarterly Stocks Report (Sept. 30) – USDA pegged U.S. wheat stocks on Sept. 1 at 2.215 billion bu, up 19% from a year ago. This was 81 million bu above the average pre-report trade estimate of 2.134 billion bu. The June - August 2009 indicated disappearance is 661 million bu, down 30% from the same period a year ago. Idaho wheat stocks on Sept. 1 are pegged at 77.8 million bu, up 6% from a year ago.

Wheat Competitor/Buyer News – Egypt purchased 150 TMT of Russian wheat and none from the U.S. this week.

CORN - Corn export sales last week were well above trade expectations at 1.22 MMT, up 82% from the previous week, while export shipments totaled 965.2 TMT. Cumulative corn export sales now total 27.8% of the year's expected tally, slightly ahead of the 5-year average pace for this time of year.

USDA Quarterly Stocks Report (Sept 30) – USDA pegged U.S. corn stocks on Sept. 1 at 1.67 billion bu, up 3% from a year ago. This was 45 million bu below the average pre-report trade estimate of 1.719 billion bu. The June-August 2009 indicated disappearance is 2.59 billion bu, up 8% from the same period a year ago and evidence of higher than expected livestock and ethanol usage. In fact, the DOE's Energy Information Agency confirmed this week that the July ethanol usage was above USDA's projected pace.

Corn Competitor/Buyer News – The US Grains Council pegged the Chinese corn crop this week at 148.79 MMT, in line with recent forecasts from COFCO, after concluding their annual Chinese corn crop inspection tour. Argentine corn plantings are pegged at 4.63 million acres, the lowest level since 1989.

Futures market activity this week

WHEAT – Wheat futures posted gains on Monday with support from better than expected export inspections and strong outside markets. Wheat prices retreated lower on Tuesday on disappointment over the Egyptian tender (150 TMT of Russian wheat was purchased), profit-taking and positioning ahead of Wednesday's key USDA reports. Despite bearish wheat production and quarterly stocks reports from USDA, wheat closed higher on Wednesday with support from a sharply lower dollar and late session short covering triggered by spillover strength from soybeans and crude oil. Wheat finished lower today (Thursday) on profit-taking, weak outside markets and expectations of liquidation by index funds to comply with stricter CFTC enforcement of position limits in commodities. **Wheat market closes on Thursday, 10/1/09...**

	Dec 09	Weekly Summary	Mar 2010	Weekly Summary
Chicago	\$4.52 ³ / ₄	Up \$.03	\$4.72 ¹ / ₂	Up \$.02 ³ / ₄
Kansas City	\$4.69 ¹ / ₂	Up \$.00 ¹ / ₄	\$4.85 ³ / ₄	Unchanged
Minneapolis DNS	\$4.87 ³ / ₄	Up \$.01	\$5.03 ³ / ₄	Up \$.00 ³ / ₄

CORN –Corn prices began the week higher on supportive outside markets, cooler than normal temperatures and forecasts for unwelcome rains later in the week that will continue to slow maturation and harvest. Corn prices continued moderated gains on Tuesday with support from unfavorable weather this week and position evening ahead of the quarterly stocks report. Corn continued to post moderate gains on Wednesday with support from a lower dollar, late session fund buying from mostly positive outside influences. The weather outlook for the late maturing corn crop remained unsettled, providing some underlying support. Corn prices retreated today (Thursday) on mostly bearish outside markets including a higher dollar. Cool wet weather was expected to extend into next week keeping traders on edge. **Dec 09 corn**

contract closed on Thursday, 10/1/09, at \$3.40 ½, up \$.05 ½ for the week and the **Mar 2010** contact at \$3.53 ¼, up \$.06 ½ for the week.

Other Major Factors to Watch

- § **Crude Oil** – Crude oil trading continued to be very choppy this week, following the volatile ups and downs of the U.S. dollar. Monday saw prices close fractionally higher but then slipped lower as the dollar chopped around as investors remained uncertain about the pace of U.S. economic recovery and future energy demand. Prices rallied sharply higher on Wednesday – up nearly \$4/bbl – on support from a sharp decline in the dollar and a mixed inventory report which showed a bigger than expected increase in crude but much smaller gasoline and distillate stocks. Wednesday’s report showed crude stocks building 2.8 million bbls, compared to an expected increase of 2.0 million bbls; distillate stocks increased 323,000 bbls compared to an expected build of 1.2 million bbls; and gasoline stocks fell 1.7 million bbls compared to an expected build of 1.0 million bbls.
- § **U.S. weather / crop watch** – Below normal temperatures were widespread across the Central U.S. this week, bringing freezing temperatures to parts of North Dakota, South Dakota, Minnesota, Wisconsin, Michigan and dipping as far south as parts of Iowa, Indiana and Ohio. Crop damage was expected to be localized to areas with lagging maturity. The next chance for frost in the Northwestern Corn Belt is Oct. 8-9. Unwelcome rain was in the forecast for Thursday and Friday with more systems expected next week, causing more delays in crop dry down and harvesting. Showers were less active across the Southern Plains, allowing winter wheat planting to progress. Rain was expected to return to the Plains by Friday and additional rains are expected in the 6-15 day outlook, bringing beneficial moisture to dry areas in Nebraska and Texas.
- § **International weather / crop watch** –
 - § **Canada** – Unseasonably dry warm weather continued for a 4th consecutive week, accelerating spring grain harvest, which was generally wrapping up across the Western Plains. Central Saskatchewan saw some harvest interruptions from light rains.
 - § **Europe** – Dry weather returned to Europe, accelerating summer crop harvesting and winter grain planting. slowing
 - § **Russia / Ukraine** – Western Russia and Ukraine continued to see unseasonably warm dry weather which favored summer crop harvesting and winter grain planting, but a lack of moisture in Central and Southeastern Ukraine was causing poor winter wheat establishment. Spring grain harvest was rapidly advancing in the Urals and Siberia where yields are reported to be above average.
 - § **Middle East** – Rain continued in Turkey and Iran, boosting top soil moisture for winter wheat planting.
 - § **China** – Several days of dry weather on the North China Plains favored summer crop harvesting. Light to moderate rains were reported in the Yangtze River Basin. Freezing temperatures were confined to the northernmost growing areas of Heilongjiang.
 - § **Argentina** – Drier weather promoted corn planting while patchy frost in parts of southeastern Buenos Aires raised some concerns about potential damage to heading winter wheat. Some wheat areas saw good rains over the weekend but were mostly dry this week. The next chance of rain was early next week.
 - § **Australia** – The southeastern region received good soaking rains over the past wee, which were very beneficial to reproductive to filling winter grains. Cool showery conditions were reported in Western Australia, also favoring winter grain development. The Australian government reported that moderate El Nino conditions were persisting.

USDA Crop Progress / Condition Report, September 28, 2009

Crop	Progress %	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	95% harvested	91%	97%	98%			
ID barley	96% harvested	92%	95%	98%			
US spring wheat	94% harvested	85%	99%	98%			
ID spring wheat	97% harvested	95%	99%	100%			
US winter wheat	36% planted	24%	37%	39%			
ID winter wheat	49% planted	31%	47%	42%			
US Corn	37% mature 6% harvested	21% NA	49% 8%	72% 18%	68%	68%	61%