

## Idaho Grain Market Report, October 22, 2009

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 21, 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	\$5.25	(2-R) NQ (6-R) NQ	\$4.40	\$4.45	\$5.67
Idaho Falls	NQ	(2-R) \$6.00-\$6.25 (6-R) \$6.00	NQ	NQ	NQ
Blackfoot / Pocatello	\$4.80	(2-R) \$5.50 (6-R) \$5.50	\$4.35	\$4.19	\$5.42
Grace / Soda Springs	\$5.00-\$5.25	(2-R) NQ (6-R) NQ	\$4.25	\$4.20-\$4.42	\$5.20-\$5.65
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.00 (6-R) \$6.00	\$4.05-\$4.10	\$4.41	\$5.58
Twin Falls / Eden / Buhl	\$5.90-\$6.00	(2-R) NQ (6-R) NQ	\$3.60-\$3.95	NQ	NQ
Weiser	\$5.50	(2-R) NQ (6-R) NQ	\$3.83	NQ	NQ
Nez Perce / Craigmont	\$4.85	(2-R) \$4.85 (6-R) \$4.85	\$4.38	\$5.21	\$6.28
Lewiston	\$5.30	(2-R) \$5.30 (6-R) \$5.30	\$4.57	\$5.40	\$6.47
Moscow / Genesee	\$4.90-\$6.15	(2-R) \$4.90 (6-R) \$4.90	\$4.34-\$4.94	\$5.17-\$5.89	\$6.24-\$6.91

### 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 \$4.80-\$4.90 Feb \$4.97-\$5.20	\$5.81-\$5.82	NQ
Los Angeles	\$8.50	NQ	NQ	NQ	NQ	NQ
Stockton	\$8.25	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.50	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.20	NQ	NQ	\$4.45	\$4.49	\$5.71
Great Falls	\$3.75-\$4.95	NQ	\$5.50	NQ	\$4.32-\$4.53	\$5.95-\$6.14
Minneapolis	\$4.48	NQ	NQ	NQ	NQ	\$6.03 ¼ - \$6.33 ¼

### Market trends this week

**BARLEY** – Local barley prices were mostly higher, ranging from no change to 75 cents higher in southern Idaho this week and 5 to 25 cents higher in northern Idaho. USDA did not report any barley export sales last week. Barley export shipments totaled 900 MT for Mexico.

**Barley Competitor/Buyer News** – Japan MAFF reportedly purchased 1.1 TMT of U.S. food barley in a recent SBS import tender.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from no change to 30 cents higher; HRW ranged from 14 cents lower to 26 cents higher; and DNS ranged from 18 cents lower to 27 cents higher. U.S. wheat export sales last week were well above trade expectations at 627.6 TMT, up 31% from the previous week and 10% from the prior 4-week average. Wheat export shipments totaled 467.3 TMT, down 11% from the previous week and 24% from the prior 4-week average. Cumulative wheat export sales stand at 51.6% of the USDA forecast, behind the 5-year average pace of 60.5% BUT ahead of the pace needed to reach the USDA forecast for the year, which suggests that export projections may be ratcheted higher in upcoming S&D reports.

**Wheat Competitor/Buyer News** – Excessive rainfall (at harvest) was reported in Brazil's main wheat growing region, with nearly half of that country's crop suffering losses. Brazil is one of the world's largest wheat importers and typically gets the largest share of its needs from domestic production and imports from neighboring Argentina. However, Argentina is not expected to have much wheat available for export this year due to a 40% decline in acreage and continuing weather problems in some areas. Iraq tendered for 100 TMT of wheat this week.

**CORN** – Corn export sales last week were well below trade expectations at 234.9 TMT. Export shipments totaled 818 TMT, which was up 22% from the previous week but down 14% from the prior 4-week average. Cumulative corn export sales stand at 31.0% of the USDA forecast, behind the 5-year average of 34.2% and also below the pace needed to reach the USDA forecast for the year.

#### Futures market activity this week

**WHEAT** – Wheat futures began the week sharply higher on Monday, buoyed by a lower dollar, drying trend in Western Australia and spillover strength in corn, soybeans and outside markets. Gains could not be sustained, however, as wheat markets slipped modestly lower on Tuesday under profit-taking pressures. Wheat roared back on Wednesday, soaring to the **highest levels in 2 ½ months**, boosted by commodity-wide fund buying that was triggered by a sharply lower dollar. Wheat led the gains again today (Thursday) on support from bullish technical signals and concerns about the rain delays in soft red winter wheat planting. **Wheat market closes on Thursday, 10/22/09...**

	<b>Dec 09</b>	<b>Weekly Summary</b>	<b>Mar 2010</b>	<b>Weekly Summary</b>
Chicago	\$5.51 <sup>3</sup> / <sub>4</sub>	Up \$.53	\$5.69 <sup>1</sup> / <sub>4</sub>	Up \$.51 <sup>1</sup> / <sub>2</sub>
Kansas City	\$5.53	Up \$.42 <sup>1</sup> / <sub>2</sub>	\$5.68 <sup>1</sup> / <sub>4</sub>	Up \$.42 <sup>1</sup> / <sub>2</sub>
Minneapolis DNS	\$5.60 <sup>1</sup> / <sub>4</sub>	Up \$.33 <sup>3</sup> / <sub>4</sub>	\$5.76 <sup>3</sup> / <sub>4</sub>	Up \$.34

**CORN** – Corn prices began the week sharply higher on large scale fund buying triggered by poor harvest weather outlook and lower trending dollar index. Prices retreated slightly on Tuesday under pressure from increased farmer selling and lack of fresh speculative buying. Corn saw another bullish reversal on Wednesday, pushing to the **highest level since late June** on a sharp drop in the dollar and equally sharp rally in crude oil. Corn prices finished higher again today (Thursday) on fund buying and updated weather forecasts showing increased amounts of rainfall expected next week. **Dec 09 corn contract closed on Thursday, 10/22/09, at \$4.03 ½, up \$.31 ½ for the week and the Mar 2010 contract at \$4.14 ¾, up \$.31 for the week.**

#### **Near-term commodity outlook –**

**Corn** – main feature driving the current corn rally is the significant inflow of investment money back into commodities and equities and away from the dollar. Many traders expect these money flow factors will keep volatility high – with the potential for large price swings in both directions. Technical chart signals have turned positive which adds support from “technical traders” who don't pay much attention to fundamentals.

**Wheat** – Near-term price outlook is clearly being driven by the value of the dollar and investment money flow, overshadowing wheat's weak fundamentals.

#### Other Major Factors to Watch

- § **Crude Oil** – Crude oil continued its impressive climb this week, topping \$80/bbl on Wednesday - boosted by a slumping U.S. dollar index - which fell to its lowest level in more than 14 months. Wednesday's inventory report also was somewhat bullish...crude stocks increased by 1.3 million bbls, compared to an expected increase of 1.5 million bbls; distillate stocks fell by .8 million bbls, compared to an expected draw of 1.0 million bbls; and gasoline stocks decreased by 2.2 million bbls compared to an expected draw of .85 million bbls.
- § **U.S. weather / crop watch** – Unwelcome rain was back in the forecast for Tuesday through Friday for much of the Corn Belt, contributing to more harvest delays (only 17% harvested as of Monday compared to 46% on average) and concerns about ear weights. A drying period of about 5 days was expected to follow but then a bigger rain event is in the forecast for next Tuesday to Thursday. Rains thus far this month have been well above normal in most of Ohio, Indiana, Illinois, Missouri, northern Iowa, western Wisconsin, Minnesota and the Dakotas. Wet conditions also continue to delay SRW wheat planting, likely reducing final U.S. winter wheat acreage projections. Many areas of the HRW belt were expected to see beneficial rainfall (and snow in Colorado) this week with chances for another storm by the middle of next week with widespread coverage.
- § **International weather / crop watch –**
  - § **Canada** – Western Canada saw mostly dry cold conditions, which allowed some late grain harvesting.
  - § **Europe** – France and England were mostly dry, favoring winter cereal planting, while corn harvest was hampered by rain and snow in areas of Eastern Europe. Spain remains unfavorably dry, with poor soil moisture for winter grain establishment.
  - § **Russia / Ukraine** – Winter wheat planting and emergence in central Russia and Ukraine were adversely impacted by excessive dryness from mid August to mid September. However, recent rainfall has greatly improved moisture for early growth.
  - § **Middle East** – Dry conditions prevailed in Turkey, allowing winter wheat planting to continue.
  - § **China** – Warm dry conditions allowed corn harvest and winter wheat planting to advance cross the North China Plain and Yangtze Valley.

- § **Argentina** – Central areas have seen beneficial showers for reproductive grains, with more rain in the forecast this week. However unfavorable dryness persists in the southern wheat belt and much of the northern growing region.
- § **Australia** – Southeastern region continues to receive periodic showers, but Western Australia – the largest barley and wheat producing state - has turned dry during recent weeks, stressing about 25% of that state's crop. There were also concerns about potential for frost damage in the east.

**USDA Crop Progress / Condition Report, October 20, 2009**

Crop	Progress %	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. winter wheat	69% planted	64%	77%	78%			
<b>ID winter wheat</b>	<b>85% planted</b>	<b>77%</b>	<b>87%</b>	<b>88%</b>			
U.S. corn	17% harvested	13%	28%	46%	70%	70%	62%

**REGISTER NOW FOR... Idaho Grain Marketing Workshops on Tuesday, Nov. 3**  
Reserve your space by calling the IBC at 208-334-2090 or send an email to [kolson@idahobarley.org](mailto:kolson@idahobarley.org)

**Rexburg – at the AmericInn, 1098 Golden Beauty Drive**

7:30 am – breakfast served

8:00 am – **Developing a Pre and post Harvest Grain Marketing Strategy** – presented by Ed Usset, Center for Farm Financial Management, Univ. of Minn, St. Paul, MN – includes hands on simulation game

11:30 am – **Market Outlook** – presented by Clark Johnston, JC Management, Clearfield, UT

12:15 pm – **University of Idaho Extension web-based financial management tools** presented by Ben Eborn, Teton County Extension Educator

**Ashton – at the Community Center on Main Street**

Noon – lunch served

12:30 pm – begin workshop – same presentation order as Rexburg

5:00 pm – workshop concluded