

## Idaho Grain Market Report, October 24, 2013

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 23, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.

<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>			
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$7.85	(2-R) \$11.75-\$12.00 (6-R) \$11.75	\$6.50	\$7.03	\$7.43
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.55	\$7.74	\$7.82
Grace / Soda Springs	\$7.36	(2-R) NQ (6-R) NQ	NQ	\$7.54	\$7.60
Burley / Rupert Hazelton	\$8.00-\$8.50	(2-R) \$11.75 (6-R) \$11.75	\$6.31-\$6.35	\$7.15	\$7.42
Twin Falls / Eden / Buhl	\$7.90	(2-R) NQ (6-R) NQ	\$6.01	NQ	NQ
Weiser	\$8.25	(2-R) NQ (6-R) NQ	\$6.25	NQ	NQ
Nez Perce / Craigmont	\$6.15	(2-R) \$6.15 (6-R) \$6.15	\$6.62	\$7.77	\$7.88
Lewiston	\$6.65	(2-R) \$6.65 (6-R) \$6.65	\$6.87	\$8.02	\$8.13
Moscow / Genesee	\$6.15-\$6.75	(2-R) \$6.15 (6-R) \$6.15	\$6.64-\$6.81	\$7.79-\$7.93	\$7.90-\$7.99

### 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	Oct \$7.34 <sup>3</sup> / <sub>4</sub> -\$7.36 <sup>3</sup> / <sub>4</sub> Feb \$7.50-\$7.54 <sup>1</sup> / <sub>2</sub>	Feb \$8.69 <sup>1</sup> / <sub>2</sub> -\$8.77 <sup>1</sup> / <sub>2</sub>	Nov \$8.58 <sup>3</sup> / <sub>4</sub> -\$8.73 <sup>3</sup> / <sub>4</sub> Feb \$8.88 <sup>1</sup> / <sub>2</sub> -\$8.98 <sup>1</sup> / <sub>2</sub>
Los Angeles	\$10.30	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.30	NQ	NQ	NQ	NQ	NQ
Ogden	\$7.50	NQ	NQ	\$6.67	\$7.90	\$8.13
Great Falls	\$6.50-\$7.00	NQ	\$9.50	NQ	\$7.27-\$7.28	\$7.45
Minneapolis	\$7.08	NQ	\$11.46	NQ	\$8.10 <sup>3</sup> / <sub>4</sub> (12%)	\$8.53 <sup>3</sup> / <sub>4</sub> -\$8.73 <sup>3</sup> / <sub>4</sub>

### Market trends this week

**BARLEY** – Local barley prices were mostly higher this week with southern Idaho locations reporting no change to \$1.25 higher and northern Idaho reporting no change to \$.10 higher.

**WHEAT** – Local wheat prices were mostly higher this week: SWW ranged from 2 cents lower to 24 cents higher; HRW ranged from 14 to 38 cents higher; and DNS ranged from 5 cents lower to 59 cents higher. Weekly wheat export sales were reported for October 3, showing strong business at 654 TMT. Cumulative export sales at 64% of the USDA projection for the year compared to 52.6% on average. **Informa Economics is projecting 2014 wheat acreage at 57.7 million, up 1.6 million from this year.**

**Wheat Competitor/Buyer News** – India's Parliament is expected to vote soon on a plan to cut floor price for wheat exports by 13% in order to boost their exports.

**CORN** - Weekly corn export sales for October 3 were huge at 1.34 MMT. Cumulative export sales are reported to have reached 51.3% of the year's projection, compared to 41.9% on average. China was one of the largest buyers at 230.6

TMT. Private exporters reported a single day sale of 210 TMT of U.S. corn to Mexico. **Informa Economics is projecting 2014 corn acreage at 91.7 million, down 4.3 million from this year.**

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production jumped by 28,000 bbls last week to 897,000, up 3.22% from the previous week and up nearly 12% from a year ago. Corn used for ethanol totaled 914.19 million bu, nearly on pace to meet the USDA projection of 4.9 billion bu for the marketing year.

**Corn Competitor/Buyer News** – South Korea bought 55 TMT of Brazilian corn this week.

**Futures market activity this week**

**U.S. economic indicators**– Mixed corporate earnings reports this week were the main market drivers. US monthly jobs report for September was released early in the week, showing disappointing job gains of 148,000, less than the expected 180,000, but unemployment dipped to 7.2%, the lowest level since November 2008. Weekly first-time unemployment claims fell by 12,000 this week to 350,000 but were higher than expected. Some reports suggest that the US economy lost about \$24 billion in GDP activity in the past month due to the government shutdown. The Commerce Department reported their Q3 GDP estimate will be delayed until November 7.

**WHEAT** – Wheat markets slumped on Monday under profit-taking pressure that was triggered by an overbought condition and weekend rains in Argentina where there is considerable uncertainty about the size of their wheat crop. The Argentine government reported that their low projection estimate released the previous Friday of only 8.8 MMT was inaccurate and that they would release a revised estimate soon. Tuesday saw choppy mostly two-sided trading, but wheat markets managed to post modest gains on talk of firmer wheat prices in the Black Sea region and continued crop concerns in Argentina and Australia. Wheat prices finished firmer on Wednesday on ideas that the Argentine government may soon limit wheat exports from that country and rising Black Sea prices. Wheat posted moderate losses today (Thursday) under pressure from technical selling triggered by an overbought condition and a lack of fresh supportive news. **Wheat market closes on Thursday, 10/24/13 ...**

	<b>Dec 2013</b>	<u>Weekly Summary</u>	<b>Mar 2014</b>	<u>Weekly Summary</u>	<b>Dec. 2014</b>	<u>Weekly Summary</u>
Chicago SRW	\$6.96 ½	Down \$.09¼	\$7.07	Down \$.07 ½	7.19 ¼	Up \$.03
KC HRW	\$7.64 ¼	Down \$.04 ½	\$7.63 ½	Down \$.02 ¾	\$7.57 ¾	Down \$.04
MGE DNS	\$7.52	Down \$.08 ¼	\$7.62 ¼	Down \$.07 ¾	\$7.69 ¼	Down \$.07 ¾

**CORN** – Corn posted modest gains on Monday in choppy trading, despite an accelerating harvest pace and continued reports of better than expected yields. Support came from stronger than expected export inspections. Corn prices reversed direction, closing lower on Tuesday under active harvest selling pressure. Corn finished modestly higher on Wednesday on spillover strength from soybeans and firm ethanol demand. Corn posted modest losses in choppy two sided action today (Thursday) as the harvest pace advances, with reports of strong yields and mostly favorable weather in the extended forecast. **Corn futures contract closes on Thursday, 10/24/13 for Dec 2013 contract at \$4.40 ¼, down \$.01¼, Mar 2014 contract closed at \$4.52 ½, down \$.02½ and the Dec 2014 contract closed at \$4.83 ½, up \$.00½ for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil started the week dipping below \$100 to hit the lowest level in three months. Pressure came from the delayed EIA weekly inventory report which confirmed bigger than expected build in crude oil stocks two weeks ago of 4 million bbls, as well as mixed views on an economic slowdown in the 4<sup>th</sup> quarter. The crude market continued to churn lower on Tuesday and Wednesday, falling under \$97/bbl on a combination of demand concerns and bigger than expected inventories. DOE's weekly inventory report for last week showed crude oil stocks increased by 5.35 million bbls, compared to an expected build of 3.0 million bbls; distillates increased by 1.6 million bbls, compared to an expected decline of 1.8 million bbls; and gasoline inventories fell by 1.8 million bbls, compared to an expected decline of 1.0 million bbls. **Crude oil futures stabilized today, posting modest gain of \$.25 to close at \$97.11.**

**U.S. WEATHER / CROP PROGRESS – PNW** – Dry and unseasonably warm this week, with conditions expected to continue through the weekend. **Corn Belt** – Conditions were mostly cool and dry early in the week, allowing harvest to accelerate in many areas. By mid week a rain and snow storm moved across Iowa and Illinois once again idling combines. Conditions are expected to be mostly dry into this weekend but then another storm is expected to bring significant moisture to the WCB by early next week. The extended forecast shows cool and wetter than normal conditions expanding across the northern and eastern regions. **Plains** – Mostly cool and dry this week, except for areas in the far eastern belt. Cooler than normal temperatures have slowed germination, although conditions this fall are significantly improved compared to a year ago, with KS wheat rated at 63% good/excellent and OK at 69% good/excellent.

**USDA Crop Progress / Condition Report, October 21, 2013**

<b>Crop</b>	<b>% Progress</b>	<b>Previous Week</b>	<b>Previous Year</b>	<b>5-Year Average</b>	<b>Condition rating % good/excellent</b>	<b>Previous Week</b>	<b>Previous Year</b>
US winter wheat	79% planted 53% emerged	NA NA	80% 48%	79% 54%	65% (only 4% poor/very poor)	NA	NA
<b>ID winter wheat</b>	<b>86% planted</b> <b>38% emerged</b>	<b>NA</b> <b>NA</b>	<b>91%</b> <b>49%</b>	<b>90%</b> <b>53%</b>	<b>80%</b>		
Corn	39% harvested	NA	85%	53%	60% g/ex	NA	NA

**INTERNATIONAL WEATHER / CROP PROGRESS -**

- **Black Sea Region** – Reports that conditions improved last week to allow winter wheat planting to resume, but a little more rain was seen this week but the storms were not widespread. There is a window of opportunity for more planting in the next 10 days.
- **Argentina** – Southern region received better than expected rainfall last weekend into this week, but about 15% of the wheat and corn crops remained short of moisture..
- **Brazil** – Rains across the northern and middle regions were beneficial to corn germination, but rains in the south are raising concerns about wheat sprout damage.
- **Australia** – Southeastern region received beneficial rains this week to help finish this year's wheat crop, with harvest gearing up in November. Most crops have adequate moisture to finish filling. The Australian Weather Bureau released their 90 day outlook, showing warmer and drier conditions.