

## Idaho Grain Market Report, November 5, 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, November 4, 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	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	NQ	(2-R)\$6.00-\$6.75 (6-R)\$6.00	NQ	NQ	NQ
Blackfoot / Pocatello	\$5.73	(2-R) \$5.50 (6-R) \$5.50	\$4.35	\$4.18	\$5.57
Grace / Soda Springs	\$5.00-\$5.46	(2-R) NQ (6-R) NQ	\$4.20	\$4.16-\$4.21	\$5.20-\$5.50
Burley / Rupert Hazelton	\$4.50	(2-R) \$6.00 (6-R) \$6.00	\$4.05	NQ	NQ
Twin Falls / Eden / Buhl	\$5.50-\$6.00	(2-R) NQ (6-R) NQ	\$3.60-\$3.75	NQ	NQ
Weiser	\$5.50	(2-R) NQ (6-R) NQ	\$3.80	NQ	NQ
Nez Perce / Craigmont	\$5.00	(2-R) \$5.00 (6-R) \$5.00	\$4.25	\$4.96	\$6.20
Lewiston	\$5.45	(2-R) \$5.45 (6-R) \$5.45	\$4.44	\$5.15	\$6.39
Moscow / Genesee	\$5.05-\$6.25	(2-R) \$5.05 (6-R) \$5.05	\$4.21-\$4.90	\$4.92-\$5.66	\$6.16-\$6.88

### 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	Nov \$4.80-\$4.90 Mar \$5.00-\$5.07	\$5.56-\$5.62	\$6.71-\$6.76
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	\$8.50-\$8.85	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.50	NQ	NQ	\$4.45	\$4.40	\$5.74
Great Falls	\$4.50-\$5.10	NQ	\$6.50	NQ	\$3.85-\$4.21	\$5.74-\$5.93
Minneapolis	\$4.58	NQ	NQ	NQ	\$4.93 ¾ (12%)	\$6.50 ¾ - \$6.70 ¾

### Market trends this week

**BARLEY** – Local barley prices were mixed this week, ranging from \$.20 higher to \$1.00 lower in southern Idaho and \$.40 cents higher to unchanged in northern Idaho. USDA did not report any barley export sales for last week. Barley export shipments totaled 2.1 TMT for Canada and Mexico.

**WHEAT** – Local wheat prices were also mostly higher this week: SWW ranged from 15 higher to 15 cents lower; HRW ranged from 18 to 26 cents higher; and DNS ranged from 10 cents to 26 cents higher. U.S. wheat export sales last week were below trade expectations at 284.5 TMT, down 18% from the previous week and 49% below the prior 4-week average. Wheat export shipments totaled 289.8 TMT, down 33% from the previous week and 45% from the prior 4-week average.

**Wheat Competitor/Buyer News** – Brazil's Conab lowered their wheat crop estimate to 5.04 MMT this week, down from 5.25 MMT projected last month, due to recent harvest losses. Egypt purchased 120 TMT of wheat today, 60 TMT each from Russia and France and none from the U.S. Iraq, however, purchased 300 TMT of U.S. wheat late last week.

**International tender line-up**...Bangladesh tendered for 100 TMT of wheat this week.

**CORN** – Corn export sales last week were on the high end of trade expectations at 564 TMT, up 54% from the previous week and 29% above the prior 4-week average. Export shipments totaled 708.2 TMT, which was up 6% from the previous week, but down 14% from the prior 4-week average.

**Corn Competitor/Buyer News** – Chinese policy makers announced plans recently to increase domestic corn production over the next decade to meet the rising demand for livestock feed and avoid having to be dependent on world markets.

**Futures market activity this week**

**The U.S. dollar clearly remains the dominant barometer on investment sentiment...with signs that investor confidence has lifted in recent weeks. However there is still plenty of anxiety, particularly about future inflationary pressures arising from the massive government economic stimulus, which is contributing to a volatile trading environment. This volatility will continue to pull investment money in and out of commodities.**

**WHEAT** – Wheat futures began the week sharply higher - leading the gains in the grain and oilseed complex - on a late surge in fund buying that was triggered by supportive outside markets, which included better than expected manufacturing index and pending home sales. Wheat could not hold these gains on Tuesday, slipping modestly lower on an early rally in the dollar which backed off into the session close. Wheat staged a bullish reversal on Wednesday, divorcing itself from corn and soybeans, on support from a weaker dollar and technical fund buying. Underlying support also came from a lagging soft red winter wheat planting pace (Illinois is only 35% planted compared to ave. pace of 92%), but traders are reluctant to get too excited about a loss of U.S. wheat acres at this stage of the new crop season. However, lower winter wheat acres will likely give a psychological boost to wheat markets and could help work down the burdensome stock levels that are hanging over the U.S. and world markets. Wheat finished lower today (Thursday) under spillover pressure from lower corn and soybeans and Egypt bypassing on U.S. wheat today. **Wheat market closes on Thursday, 11/5/09...**

	<b>Dec 09</b>	<b>Weekly Summary</b>	<b>Mar 2010</b>	<b>Weekly Summary</b>
Chicago	\$5.12 ¼	Up \$.18	\$5.32 ¼	Up \$.18 ¼
Kansas City	\$5.17 ½	Up \$.18 ½	\$5.34	Up \$.19
Minneapolis DNS	\$5.28 ½	Up \$.15 ¾	\$5.44 ½	Up \$.16 ½

**CORN** –Corn shrugged off a generally favorable weather outlook which should help speed up the harvest pace this week to surge higher on Monday on late session fund buying. Gains were somewhat limited by very disappointing export inspections and increasing farmer sales. Corn continued to climb higher on Tuesday, buoyed by strong outside markets, with some of the impressive gains easing into the close on profit-taking pressures. Corn prices opened higher on Wednesday but then drifted lower on increased harvest hedge pressures and profit-taking. Corn finished lower today (Thursday) on a firmer dollar and advancing Midwest harvest pace. **Dec 09 corn contract closed on Thursday, 11/5/09, at \$3.76 ½, up \$.10 ½ for the week and the Mar 2010 contact at \$3.90 ¼, up \$.11 for the week.**

**Other Major Factors to Watch**

- § **Crude Oil** – Crude oil chopped around in the \$78 to \$80/bbl range this week, depending on which way the U.S. dollar moved. Prices topped \$80/bbl on Wednesday in reaction to a bullish inventory report which showed crude oil stocks declining 3.9 million bbls, compared to an expected draw of 1.5 million bbls. Distillate stocks fell 378,000 bbls, compared to an expected draw of 1.0 million bbls; while gasoline stocks fell 287,000 bbls, compared to an expected build of 400,000 bbls.
- § **U.S. weather / crop watch** – The Midwest saw only isolated showers this week, allowing for an extended dry period for corn and soybean harvesting to advance. The next chance for rain in the Western Corn Belt is Monday and again next Friday and Saturday, moving eastward. However the latest forecasts call for less moisture than earlier guidances.
- § **International weather / crop watch** –
  - § **Argentina** – Conditions turned mostly hot and dry in northern Argentina, stressing winter grains. Central and southern wheat growing regions expected to see rains this week. Drier weather also arrived in Southern Brazil, providing some relief to recent unfavorable wetness during wheat harvest and allowing corn/soybean planting to progress rapidly.
  - § **Australia** – Light showers across the southeastern region continue to maintain good to excellent winter grain prospects, but officials have begun downgrading crop estimates for New South Wales (28% of Australia’s wheat and 19% of its barley) due to drought and recent frost. Western Australia has been on the dry side in recent days.

**USDA Crop Progress / Condition Report, November 2, 2009**

Crop	Progress %	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. winter wheat	79% planted	76%	88%	90%	64%	62%	67%
<b>ID winter wheat</b>	<b>98% planted</b>	<b>94%</b>	<b>97%</b>	<b>99%</b>	<b>90%</b>	<b>90%</b>	
U.S. corn	25% harvested	20%	53%	71%	67%	69%	64%