

## Idaho Grain Market Report, November 12, 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 11, 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) \$6.00 (6-R) \$6.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	NQ	(2-R)\$5.90-\$6.75 (6-R)\$5.90	NQ	NQ	NQ
Blackfoot / Pocatello	\$5.62	(2-R) \$6.00 (6-R) \$6.00	\$4.35	\$4.17	\$5.65
Grace / Soda Springs	\$5.25-\$5.66	(2-R) NQ (6-R) NQ	NQ	\$4.25-\$4.30	\$5.50-\$5.67
Burley / Rupert Hazelton	\$5.50	(2-R) \$5.90 (6-R) \$5.90	\$4.05-\$4.10	\$4.25	\$5.45
Twin Falls / Eden / Buhl	\$5.50-\$7.00	(2-R) NQ (6-R) NQ	\$3.60-\$4.20	NQ	NQ
Weiser	\$5.50	(2-R) NQ (6-R) NQ	\$3.83	NQ	NQ
Nez Perce / Craigmont	\$4.90	(2-R) \$4.90 (6-R) \$4.90	\$4.30	\$5.05	\$6.35
Lewiston	\$5.35	(2-R) \$5.35 (6-R) \$5.35	\$4.49	\$5.24	\$6.54
Moscow / Genesee	\$4.95-\$6.25	(2-R) \$4.95 (6-R) \$4.95	\$4.26-\$4.91	\$5.01-\$5.77	\$6.31-\$7.04

### 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 \$4.85-\$4.90 Mar \$5.07-\$5.10	\$5.65-\$5.70	\$6.91-\$6.96
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.66	NQ	NQ	\$4.25	\$4.31	\$5.56
Great Falls	\$4.50-\$5.35	NQ	\$6.50	NQ	\$3.98	\$5.92-\$6.05
Minneapolis	\$5.00	NQ	NQ	NQ	\$5.18 <sup>3</sup> / <sub>4</sub> (12%)	\$7.10 <sup>3</sup> / <sub>4</sub> - \$7.15 <sup>3</sup> / <sub>4</sub>

### Market trends this week

**BARLEY** – Local barley prices were mixed this week, ranging from \$1.00 higher to \$.11 lower in southern Idaho and unchanged to \$.10 lower in northern Idaho. Export sales data won't be released by USDA until tomorrow due to Wednesday's Veterans Day holiday.

**USDA's S&D report for MY 2010 - BARLEY – Nov. 10** – USDA made only one adjustment to this month's U.S. barley balance sheet – they lowered U.S. exports by another 5 million bu to 10 million bu based on a slow export pace so far this year; resulting in a 5 million bu increase in ending stocks to 116 million bu. They raised the average farm-gate price for U.S. barley to \$4.10-\$4.60/bu, compared to \$5.37 last year. **World barley production was increased modestly by .58 MMT this month to 147.8 MMT, which is still 4% lower than a year ago. World barley ending stocks were increased by 1.5 MMT this month to 32.0 MMT, which is a 6% jump from last year.**

**WHEAT** – Local wheat prices were mostly higher this week: SWW ranged from unchanged to 45 cents higher; HRW ranged from 1 cent lower to 11 cents higher; and DNS ranged from 8 cent to 30 cents higher.

**USDA's S&D report for MY 2010 - WHEAT – Nov. 10** – USDA surprised some traders by modestly lowering U.S. wheat production this month by 4 million bu to 2.216 billion bu (many had expected a modest increase), and exports were cut by 25 million bu to 1.223 billion bu based on the slow export pace so far this year. This resulted in a 21 million bu increase in ending stocks to 885 million bu, **which is 15 million bu above the average pre-report trade estimate of 870 million bu.** The average farm-gate price for U.S. wheat was tightened to \$4.65-5.05/bu, compared to \$6.78 in 2008/09. Once again **world wheat production was increased by 3.8 MMT to 671.9 MMT, but still down 10.9 MMT from last year.** **World wheat ending stocks were increased by 1.6 MMT this month to 188.3 MMT, which is 23.5 MMT higher than the year before.**

**Wheat Competitor/Buyer News** –USDA made a few adjustments for competitor crops this month: cut EU production by 1.0 MMT to 138 MMT and Canadian production by .5 MMT to 24.0 MMT; but raised Russian wheat crop by 2 MMT to 59.5 MMT and Ukrainian by .5 MMT to 20.5 MMT. Australian and Argentine production were left unchanged at 23.5 MMT and 8.0 MMT respectively. Egypt bought 295 TMT of Russian wheat today on a tender for 55-60 TMT. **International tender line-up...**Bangladesh has tendered for 100 TMT and Jordan for 100 TMT of wheat.

**USDA's S&D report for MY 2010 - CORN – Nov. 10** –As widely expected, **USDA tweaked their 2009 production estimate a bit lower this month due to a seriously lagging corn harvest and anticipated quality losses.** **Production was cut by 97 million bu to 12.921 billion bu, with a national average yield estimate lowered by 1.3 bpa to 162.9 bpa.** **USDA's new production estimate is 18 million bu less than the average pre-report trade estimate of 12.940 billion bu.** USDA also cut corn exports by 50 million bu to 2.1 billion bu because of a lagging export pace, resulting in a 47 million bu cut in U.S. corn ending stocks to 1.625 billion bu., **which is just slightly below the average pre-report trade estimate of 1.627 billion bu.** The average farm-gate price for U.S. corn was raised by 20 cents on both ends to \$3.25-\$3.85/bu, compared to \$4.06 in 2008/09. **World corn production was cut by 2.8 MMT this month to 789.7 MMT, which is 2.2 MMT below last year.** **World corn ending stocks were cut by 3.8 MMT this month to 132.4 MMT, down 13.5 MMT from the previous year.**

**Corn Competitor/Buyer News** – USDA raised corn production for South Africa by 1.0 MMT this month to 11.5 MMT and Ukraine by 1.0 MMT to 10.0 MMT. Ukrainian corn exports were increased by 1 MMT to 4 MMT. They lowered Brazilian production by 1 MMT to 51 MMT. Chinese production was left unchanged this month at 155 MMT.

#### Futures market activity this week

**Outside market forces were robust early this week...** with the Dow Jones jumping to 13 month highs and the dollar falling to 15 month lows. The G-20 agreed over the weekend to continue to maintain economic stimulus efforts and no discussions were held about intervening to support the dollar.

**WHEAT** – Wheat futures began the week sharply higher, boosted by a broad advance in commodities and equities, a lower dollar and better than expected wheat export inspections. Wheat continued modest gains on Tuesday from supportive outside markets, after shrugging off a bearish monthly S&D report which showed larger domestic and global wheat stocks. Fund buying continued to push wheat higher on Wednesday, again sparked by a sharply lower dollar which hit 15 month lows. Wheat finished mixed to unchanged today (Thursday) after an early rally fizzled into the session close with pressure from a recovery in the dollar index. **Wheat market closes on Thursday, 11/12/09...**

	<b>Dec 09</b>	<b>Weekly Summary</b>	<b>Mar 2010</b>	<b>Weekly Summary</b>
Chicago	\$5.31 <sup>3</sup> / <sub>4</sub>	Up \$.34 <sup>1</sup> / <sub>2</sub>	\$5.52 <sup>1</sup> / <sub>4</sub>	Up \$.35
Kansas City	\$5.35	Up \$.34	\$5.50 <sup>1</sup> / <sub>4</sub>	Up \$.33
Minneapolis DNS	\$5.48 <sup>1</sup> / <sub>2</sub>	Up \$.30 <sup>1</sup> / <sub>4</sub>	\$5.64 <sup>3</sup> / <sub>4</sub>	Up \$.31

**CORN** –Corn prices surged higher on Monday on support from short covering ahead of Tuesday's S&D report and supportive outside markets. Tuesday saw early double digit gains from a mostly neutral S&D report and support from markets give way to profit-taking into the close. Corn closed mixed to fractionally lower on Wednesday as early fund buying evaporated and the trade focused once again on favorable harvest weather. Corn finished modestly lower today (Thursday) as harvest hedge pressure intensifies. **Dec 09 corn contract closed on Thursday, 11/12/09, at \$3.90 <sup>1</sup>/<sub>2</sub>, up \$.23 <sup>1</sup>/<sub>2</sub> for the week and the Mar 2010 contact at \$4.05 <sup>3</sup>/<sub>4</sub>, up \$.24 <sup>3</sup>/<sub>4</sub> for the week.**

**Near-term Commodity Outlook** – main features this week were supportive outside markets, with the dollar sinking lower and crude oil and equities rocketing higher and the **monthly S&D report which was mostly in line with trade expectations but still trending bearish.**

**Corn** – USDA pegged production slightly lower at 12.921 billion bu, on a national average yield of 162.9 bpa, which many believe will be tweaked lower into the final production report in January. Domestic stocks are now estimated at a 46-day supply and world stocks at only a 60-day supply which ranks as the third tightest in the past 34 years. This report was considered neutral for corn so attention quickly returned to harvest weather and outside markets, including the dollar and crude oil.

**Wheat** – USDA pegged U.S. production down slightly but increased ending stocks to 885 million bu, which was above the average pre-report trade estimate of 870 million bu. This was considered mostly bearish for wheat, particularly as domestic wheat stocks climbed to a 154-day supply which is the largest domestic supply in terms of bushels in 10 years. But more upside corrections are expected from short covering.

**Soybeans** – USDA was more aggressive in adjusting the U.S. soybean crop - increasing it by 69 million bu to 3.319 billion bu and above the average pre-report trade estimate of 3.262 billion bu. This resulted in a 40 million increase in ending stocks estimate to 270 million bu and above the average pre-report trade estimate of 236 million bu. This was considered mostly bearish for soybeans but the trade quickly returned their focus to tight near-by stock levels and an aggressive export pace.

<b>Other Major Factors to Watch</b>
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- § **Crude Oil** – Crude oil chopped around in the \$79 range early in the week but then dropped back to \$76.94 on Thursday in response to a higher dollar and bearish inventory report. The weekly inventory report showed crude oil stocks building more than expected – up 1.8 million bbls compared to an expected build of 1.0 million bbls. Distillate stocks increased by 349,000 bbls, compared to an expected draw of 700,000 bbls, and gasoline stocks increased by 2.6 million bbls, compared to an expected draw of 450,000 bbls.
- § **U.S. weather / crop watch** – The Midwest saw mostly dry weather this week, with only isolated showers in the Western Corn Belt. Rainy conditions are expected to return by late weekend into early next week, especially in the West Central Corn Belt into Missouri. Some models show the ECB could be wetter than the WCB. The first system is expected Sunday through Wednesday and a second one arriving around Friday/Saturday.
- § **International weather / crop watch** –
  - § **Argentina** – Showers brought some relief from recent heat and dryness in the northern and eastern crop regions, while western growing areas were expected to see some rain in coming days.
  - § **Australia** – Widespread showers in Queensland were hampering winter grain harvest, while hot dry conditions in the southeast and west aided winter grain maturation and early harvesting.

**USDA Crop Progress / Condition Report, November 9, 2009**

Crop	Progress %	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. winter wheat	86% planted	79%	92%	93%	63%	64%	68%
<b>ID winter wheat</b>	<b>99% planted</b>	<b>98%</b>	<b>99%</b>	<b>100%</b>	<b>82%</b>	<b>90%</b>	
U.S. corn	37% harvested	25%	69%	82%	68%	67%	NA