

Idaho Grain Market Report, Nov. 29, 2012

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, November 28, 2012. Barley prices in \$/Cwt. and wheat prices in \$/bu.

<u>Barley (Cwt.)</u>			<u>Wheat (bu.)</u>		
Ashton	NQ	(2-R) \$13.00 (6-R) \$13.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$12.50	(2-R) \$12.60-\$13.00 (6-R) \$12.60	\$8.05	\$8.45	\$8.56
Blackfoot / Pocatello	\$11.66	(2-R) \$13.00 (6-R) \$13.00	\$8.40	\$8.52	\$8.70
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert	\$12.25-\$13.00	(2-R) \$12.60 (6-R) \$12.60	\$8.15-\$8.35	\$8.42	\$8.84
Hazelton					
Twin Falls / Eden / Buhl	\$13.00	(2-R) NQ (6-R) NQ	\$8.25	NQ	NQ
Weiser	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Nez Perce / Craigmont	\$11.00	(2-R) \$11.00 (6-R) \$11.00	\$8.34	\$9.47	\$9.65
Lewiston	\$11.25	(2-R) \$11.25 (6-R) \$11.25	\$8.53	\$9.66	\$9.84
Moscow / Genesee	\$11.05-\$12.25	(2-R) \$11.05 (6-R) \$11.05	\$8.30-\$9.00	\$9.43-\$10.17	\$9.61-\$10.31

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	Dec \$8.91-\$9.01 ¹ / ₂ Apr \$8.90-\$9.22 ³ / ₄	Dec \$10.11 ¹ / ₄ - \$10.16 ¹ / ₄ Apr \$10.32 ¹ / ₂ - \$10.39 ¹ / ₂	Dec \$10.27 ³ / ₄ -\$10.37 ³ / ₄ Apr \$10.49-\$10.56
Los Angeles	\$15.60	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.60	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.20	NQ	NQ	\$8.55	\$8.78	\$9.19
Great Falls	\$8.00-\$11.50	NQ	\$12.75	NQ	\$8.55-\$8.78	\$8.92-\$9.17
Minneapolis	\$11.67	NQ	\$15.10	NQ	NQ	\$10.01 ¹ / ₄

Market trends this week

BARLEY – Local barley prices were mostly higher this week, ranging from 21 cents lower to 50 cents higher in southern Idaho and from no change to 15 cents higher reported in northern Idaho. USDA reported that there were no barley export sales or shipments reported last week

WHEAT – Local wheat prices were also mostly higher this week: SWW ranged from 20 to 40 cents higher; HRW ranged from 20 to 39 cents higher; and DNS ranged from 10 to 26 cents higher. USDA reported wheat export sales last week were well below trade expectations at 279.3 TMT which was down 56% from the previous week and 27% from the prior 4-week average. Cumulative wheat export sales now tally 54% of USDA's projection for the year, compared to a 5-year average of 68%. Exports totaled 228.6 TMT which were down 31% from the previous week and from the prior 4-week average.

Wheat Competitor/Buyer News – Argentine government lowered its wheat production estimate from 11.5 to 11.1 MMT, with at least 20% of the crop harvested. Algeria purchased 375 TMT of wheat this week, likely French origin, while several other tenders pending...Jordan for 100 TMT, Syria for 50 TMT, and Iraq for 50 TMT. Iraq purchased 350 TMT of wheat last week, with 100 TMT Canadian, 200 TMT Australian and 50 TMT Russian. The EU granted export licenses for 438 TMT of wheat this week, bringing cumulative sales to 7.3 MMT, compared to 6.5 MMT a year ago. Pakistan is beginning to ship out an estimated 1 MMT of wheat sold earlier this year to Iran.

CORN – Corn export sales were well below trade expectations at 263.5 TMT (236.1 TMT for MY2012/13 and 27.4 TMT for MY2013/14), down 69% from the previous week and 21% from the prior 4-week average. Cumulative corn export sales now total 42% of USDA's projection for the year, compared to a 5-year average of 49%. Export shipments last week totaled 368.8 TMT which was down 7% from the previous week, but up 5% from the prior 4-week average.

Ethanol corn usage –DOE's Energy Information Agency reported that U.S. ethanol production ticked down for the 4th consecutive week to 803,000 bbls per day, down 1% from the previous week and down 13.7% from a year ago. Corn used for ethanol last week totaled 84.3 million bu, slipping below the 86.6 million bu weekly pace needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

Futures market activity this week

Macroeconomic news –Several positive economic indicators surfaced this week, including better than expected German and euro-zone economic confidence indices. The Euro-zone manufacturing and service indices both improved from last month and were above expectations.

U.S. economic news – No substantive progress on the U.S. fiscal cliff negotiations were reported this week but congressional leaders continued to strike a positive tone that an agreement could be reached before the end of the year. Most economic indicators were positive this week...weekly jobless claims fell more than expected, Q3 GDP was revised higher from 2.0% to 2.7% and pending home sales index was stronger than expected. The Federal Reserve Beige Book showed consumer spending grew at a moderate rate but manufacturing had weakened.

WHEAT – Wheat closed modestly higher on Monday, extending Friday's gains on concerns about poor HRW wheat conditions in the U.S. Western Plains and excessive rain slowing wheat harvest and affecting quality in Argentina. Wheat was the upside leader in the grain markets on Tuesday, posting sharp gains on short covering spurred by the lowest ever winter wheat crop condition rating at this time of year and continued dry forecast for the Western Plains. Wheat extended modest gains on Wednesday on support from positive outside markets and strong cash markets. Wheat finished moderately lower today (Thursday), under profit-taking pressure triggered by a disappointing export sales report. **Wheat market closes on Thursday, 11/29/12 ...**

	Dec 2012	Weekly Summary	Mar 2013	Weekly Summary
Chicago	\$8.69 ¼	Up \$0.21 ½	\$8.85 ½	Up \$0.24
Kansas City	\$9.17 ¼	Up \$0.39	\$9.35	Up \$0.39 ½
Minneapolis DNS	\$9.31 ¼	Up \$0.16 ¼	\$ 9.51 ¼	Up \$0.23 ¼

CORN – Corn futures traded both sides in moderate volume on Monday with support from poor planting conditions in Argentina but offset by disappointing export shipments. Corn posted double digit gains on Tuesday with upside momentum triggered by positive technicals (move above 100 day moving average) and continuing South American crop concerns. Corn remained range bound on Wednesday, posting slightly higher gains in deferred contracts on support from wheat. Corn finished moderately lower today (Thursday), under profit-taking and spillover pressures. **Dec 2012 corn futures contract closed Thursday, 11/29/12, at \$7.51 ½, up \$0.06 and the Mar 2013 contact closed at \$7.58 ¾, up \$.09 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil trading remained mostly range-bound this week... closing down \$.54 to \$87.74 in a choppy session on Monday. Fresh concerns about Greek debt and the U.S. fiscal cliff provided most of the pressure. Prices continued to chop lower to \$87.18 on Tuesday, but there was some noted improvement in risk sentiment after the euro-zone finance ministers and IMF concluded an agreement on new Greek debt restructuring that paved the way for the release of another round of bailout funds. An unexpected draw in crude oil inventories provided early support on Wednesday but gains eroded through the session on mixed views about the fiscal cliff negotiations – closing down another \$.69 to \$86.49 on Wednesday. DOE's weekly crude oil inventory report was mixed...crude oil stocks fell a surprising 347,000 bbls, compared to an expected increase of 350,000 bbls; distillates fell by 800,000 million bbls, compared to an expected increase of 500,000 bbls; and gasoline stocks increased by 3.87 million bbls, compared to an expected increase of 900,000 bbls. Ongoing Middle East tensions (Egypt and Iranian uranium enrichment) heightened geopolitical risks, helping to push prices higher today (Thursday) – up \$1.58 to close at \$88.07.

U.S. WEATHER / CROP WATCH –

Winter wheat – Winter wheat conditions in the Western Plains are the lowest EVER recorded for this time of year. The 6-10 and 8-14 day outlooks show below normal precipitation and above normal temperatures for much of the Western Plains, delaying dormancy and vulnerable to cold temperatures.

USDA Crop Progress / Condition Report, November 26, 2012 – final weekly crop condition report until April 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition % this week	% last week	% last year
US winter wheat	88% emerged	84%	91%	90%	33% good /excellent	34%	52%
ID winter wheat	97% emerged	95	99%	98%	77%	66%	

INTERNATIONAL WEATHER / CROP WATCH -

- **Brazil** – Conditions were mixed in Brazil, with Parana (#1 corn) remaining excessively dry while the Mato Grosso region (#1 soybean and #2 corn) received excellent moisture in November.
- **Argentina** – The primary grain belt was hit by heavy rainfall last week but was mostly dry early this week. Another wave of thunderstorms is expected this weekend. Only 50% of the corn acres were reported planted and 37% of the soybeans with a shift from corn to soybeans starting to take place. The 6 day outlook shows more rainfall and the 11-15 day map does not show much relief, limited chances for wheat harvest and corn planting to be completed.
- **Australia** – The eastern part of the country saw modest showers which are a concern for quality and harvest disruptions but the west remained dry, allowing harvest to advance.

Don't miss out on our 2012/13 Grain Marketing Education Programs...

Basic Grain Marketing Workshops – these live sessions will be held in Rexburg and Pocatello...

Dec. 4 - How do grain markets work and what tools are available?

9:00 - 11:00 am at **Rexburg Library** at 73 N Center

2:00 - 4:00 pm at the **Idaho Farm Bureau main office in Pocatello**, 275 Tierra Vista Dr., alongside I-15

Dec. 5 - Developing a 2013 Grain Marketing Plan using cash and hedging tools and technical futures signals

8:00 - 11:00 am at **Rexburg AmericInn**, 1098 Golden Beauty Drive

2:00 - 5:00 pm at **Idaho Farm Bureau main office in Pocatello**

Dec. 10 - Making Adjustments to your Grain Marketing Plan in Volatile Grain Markets

8:30 -11:00 am at **Rexburg Library** at 73 N Center

2:00 - 4:30 pm at the **Idaho Farm Bureau main office in Pocatello**

Recorded webinars...

To view our recorded October 30 webinar on “2012/13 Grain Market Outlook & Understanding Technical Trends in Grain Futures” go to <http://connect.cals.uidaho.edu/p47995616/>

To view our recorded November 20 webinar on “How to Execute a 2012 Idaho Grain Marketing Plan” go to <http://connect.cals.uidaho.edu/p20437593/>