

Idaho Grain Market Report, December 5, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 4, 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) \$11.50-\$12.00 (6-R) \$11.50	\$6.10	\$6.32	\$7.02
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.25	\$7.19	\$7.00
Grace / Soda Springs	\$7.05	(2-R) NQ (6-R) NQ	\$6.30	\$6.97	\$7.21
Burley / Rupert Hazelton	\$7.50-\$7.75	(2-R) \$11.50 (6-R) \$11.50	\$6.15-\$6.16	\$6.86	\$6.68
Twin Falls / Eden / Buhl	\$7.75	(2-R) NQ (6-R) NQ	\$5.96	NQ	NQ
Weiser	\$8.50	(2-R) NQ (6-R) NQ	\$6.30	NQ	NQ
Nez Perce / Craigmont	\$6.05	(2-R) \$6.05 (6-R) \$6.05	\$6.53	\$7.43	\$7.18
Lewiston	\$6.55	(2-R) \$6.55 (6-R) \$6.55	\$6.78	\$7.68	\$7.43
Moscow / Genesee	\$6.05-\$7.00	(2-R) \$6.05 (6-R) \$6.05	\$6.55-\$6.54	\$7.45-\$7.36	\$7.26-\$7.64

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 \$7.11 ¼-\$7.36 ¾ Apr \$7.36 ¼-\$7.46 ¼	Dec \$7.94 ¼-\$8.09 ¼ Apr \$8.04 ¼-\$8.14 ¼	Dec \$8.27 ½-\$8.32 ½ Apr \$8.25 ½-\$8.38 ½
Los Angeles	\$10.90	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.90	NQ	NQ	NQ	NQ	NQ
Ogden	\$7.20	NQ	NQ	\$6.50	\$7.35	\$7.67
Great Falls	\$6.50-\$7.00	NQ	\$9.50	NQ	\$6.58-\$6.61	\$7.01-\$7.03
Minneapolis	\$7.08	NQ	\$11.46	NQ	\$7.94 ¼ (12%)	\$8.47 ½-\$8.92 ½

Market trends this week

BARLEY – Local barley prices were mixed this week with southern Idaho locations reporting no change to 5 cents lower and northern Idaho reporting no change to 25 cents higher. USDA reported that there were no barley export sales last week, however export shipments totaled .3 TMT for Taiwan.

Barley Competitor/Buyer News – Stats Canada released their revised 2013 barley production estimate this week, pegging their barley crop at 10.2 MMT, up nearly 28% from last year and a record average yield of 71.7 bpa.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from no change to 15 cents higher; HRW ranged from 4 cents lower to 35 cents higher; and DNS ranged from 30 cents lower to 9 cents higher. USDA reported wheat export sales last week were well below trade expectations and a marketing year low at 229.2 TMT. Cumulative wheat export sales have now reached 75.5% of the USDA estimate for MY 2013/14 compared to a 5-year average of 65.1%. Wheat export shipments last week totaled 369.4 TMT, with Thailand, Nigeria, China, Taiwan and Brazil being the main destinations.

International Grains Council's Global S&D Projections – Nov. 28, 2013 – WHEAT – IGC raised its world wheat production estimate by 2 MMT to 698 MMT, compared to 655 MMT a year ago. Carryover stocks were lowered by 1 MMT to 181 MMT, compared to 175 MMT the previous year.

Wheat Competitor/Buyer News – Stats Canada released their revised 2013 wheat production estimate this week, pegging their wheat crop at a record 37.5 MMT, up 38% from last year and well above trade expectations. Australian Bureau of Agricultural & Resource Economics also released a higher than expected Australian wheat production estimate this week at 26.2 MMT, topping recent projections from Australian Crop Forecasters at 24.7 MMT and the Commonwealth Bank of Australia at 23.6 MMT. The IGC pegged the Australian wheat crop at 25.0 MMT. The European Union approved licenses to export 572 TMT of wheat this week, bringing their cumulative wheat exports to 11.8 MMT this marketing year compared to 8.0 MMT for the same period a year ago.

CORN – Corn export sales were well below trade expectations last week at 593.6 TMT for MY 2013/14. Cumulative corn export sales have now reached 73.1% of the USDA estimate for the marketing year compared to a 5-year average of 51.8%, which strongly suggests that USDA will raise its corn export projection in next week's supply and demand report. Corn export shipments were strong at 1.04 MMT, with China, Mexico, Japan, South Korea and Guatemala as the leading destinations.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production fell by 14,000 bpd last week to 913,000 bpd, down 1.5% from the previous week but up 9.3% from a year ago. Corn used for ethanol totaled 95.87 million bu, above the pace needed to meet the USDA projection of 4.9 billion bu for the marketing year.

International Grains Council's Global S&D Projections – Nov. 28, 2013 – CORN – IGC raised its world corn production estimate by 2 MMT to 950 MMT, up 11% from last year. Amid strengthening demand for meat and industrial products, IGC is forecasting world consumption to rise to an unprecedented level, but will still allow carryover stocks to increase from 129 MMT last year to 157 MMT. This week IGC pegged the Chinese corn crop at 217.5 MMT (USDA – 211 MMT) and corn exports at 4.5 -5.0 MMT (USDA 7.0 MMT).

Corn Competitor/Buyer News – Informa Economics has pegged the Brazilian crop at 70.2 MMT (in line with USDA Nov. estimate of 70 MMT), down from last year's record 81 MMT. Ukraine reports they exported a record amount of corn so far this year, topping 3 MMT. USDA has projected their exports at 3.4 MMT for the entire marketing year.

Futures Market trends this week

U.S. economic news – A spate of upbeat U.S. economic readings this week are raising the odds that the Federal Reserve will begin tapering their monthly bond purchases sometime early in the new year. These ideas, in turn, boosted the dollar. This week's economic news included the best ISM Manufacturing Index in 2/12 years, very strong auto sales, 25% jump in new home sales, and a 3Q GDP estimate of 3.6%, revised higher from DOC's preliminary reading of 2.8% last month. Projections for Friday's monthly jobs report show new job growth at 180,000 and the unemployment rate dipping to 7.2%.

WHEAT – Wheat markets began the week on an upswing after shrugging off active selling pressure early in the session on ideas that winter wheat crops are off to a strong start. Gains were extended on Tuesday, on support from follow-through short covering and strength in European wheat futures which posted 6 month highs this week. Wednesday saw a reversal lower on pressure from a bigger than expected Canadian wheat production estimate topping a record 37 MMT. Follow through selling continued to pressure wheat today (Thursday), posting contract lows on all three exchanges. Weakness was noted from disappointing export sales and the bigger than expected Canadian wheat production estimate.

Wheat market closes on Thursday, 12/05/13 ...

	Dec. 2013	Weekly Summary	Mar. 2014	Weekly Summary	Dec. 2014	Weekly Summary
Chicago SRW	\$6.38	Down \$.17	\$6.52	Down \$.16 ¾	\$6.73 ¼	Down \$.15 ¼
KC HRW	\$7.05	Down \$.08 ¼	\$6.95 ¼	Down \$.14	\$7.07 ¼	Down \$.09 ½
MGE DNS	\$6.66 ¼	Down \$.20 ½	\$6.84 ¼	Down \$.23 ¼	\$7.16	Down \$.15

CORN – Corn prices began the week under modest pressure from good planting and crop germination weather in South America and rumors that China had rejected more cargoes of US corn for containing unapproved GMO material. Higher than expected corn export inspections helped to limit the losses. Short covering boosted corn prices on both Tuesday and Wednesday, despite uncertainty about future Chinese demand and recent cancellations and rejections. Corn finished modestly lower today (Thursday), on a sluggish export pace and concerns about future corn shipments to China. **Corn**

futures contract closes on **Thursday, 12/05/13** for Dec. 2013 contract at \$4.22¾ , up .07 ½, Mar. 2014 contract closed at \$4.33½, up \$.09 and the Dec. 2014 contract closed at \$4.62½, up \$.08 ¼ for the week.

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil traded rebounded sharply higher this week reaching a 5-week high on a combination of better than expected manufacturing data from the U.S., China and Germany and lower than expected U.S. crude oil stocks. DOE's weekly inventory report for last week showed crude oil stocks fell by 5.585 million bbls, compared to an expected decline of 500,000 bbls; distillates increased by 2.6 million bbls, compared to an expected decline of 1.5 million bbls; and gasoline inventories increased by 1.8 million bbls, compared to an expected increase of 1.35 million bbls. News that the southern portion of the new Keystone pipeline carrying crude oil from Cushing OK to the Texas Gulf will open in January provided underlying support as this pipeline is expected to help alleviate the stock build-up in Cushing, the delivery point for WTI crude oil futures. **Crude oil futures settled slightly higher today on continuing support from a weaker dollar and upbeat U.S. economic data – closing at \$97.38/bbl.**

INTERNATIONAL WEATHER / CROP PROGRESS -

Argentina – Harvest in the main wheat belt in southern Argentina should get a break from recent rain delays this week, but rains elsewhere will continue to disrupt harvest. Corn planting is reported to be only 50% completed compared to normal completion at the of November. As a result, there is escalating speculation that some corn acres will shift into soybeans.

Australia – Southeastern Australia is receiving rainfall this week, causing some minor grain harvest delays.

Idaho Ag Market Outlook Seminars – sponsored by University of Idaho Extension

Burley, Dec 11, 2013, Burley Inn

Idaho Falls, Dec 12, 2013, Hotel on the Falls

8:30—9:00	Registration
9:00—9:45	Global Ag Outlook—Dr. Cathy Roheim, U of I
9:45—10:15	U.S. Economic Outlook—Doug Robison, NW Farm Credit
10:15—10:30	Break
10:30—11:15	Idaho Ag Outlook – Dr. Garth Taylor, U of I
11:15—12:00	Input Costs—Paul Patterson, U of I
12:00—12:45	Lunch
12:45—1:30	Grain Situation & Outlook—Kelly Olson, Idaho Barley Commission
1:30—2:15	Potato & Sugar Beet Outlook—Paul Patterson, U of I
2:15—3:00	Beef & Cattle Outlook—Casey Bieroth, AgriBeef
3:00—3:30	Dairy & Alfalfa Situation & Outlook—Wilson Gray, U of I

Cost: \$20 per person includes lunch and materials. **Registration:** Please call the Teton County Extension Office (208) 354-2961 by December 9th.