

# Idaho Grain Market Report, Dec. 6, 2012

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, Dec. 5, 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	\$12.50	(2-R) NQ (6-R) NQ	\$8.25	\$8.25	\$8.69
Idaho Falls	\$12.50	(2-R) \$12.60-\$13.25 (6-R) \$12.60	\$8.20	\$8.35	\$8.62
Blackfoot / Pocatello	\$11.66	(2-R) \$13.00 (6-R) \$13.00	\$8.40	\$8.36	\$8.70
Grace / Soda Springs	\$11.95	(2-R) NQ (6-R) NQ	\$8.35	\$8.43	\$8.68
Burley / Rupert	\$12.25-\$13.00	(2-R) \$12.60 (6-R) \$12.60	\$8.00-\$8.15	\$8.35	\$8.60
Hazelton					
Twin Falls / Eden / Buhl	\$13.10	(2-R) NQ (6-R) NQ	\$7.90	NQ	NQ
Weiser	\$11.90	(2-R) NQ (6-R) NQ	\$8.04	NQ	NQ
Nez Perce / Craigmont	\$11.00	(2-R) \$11.00 (6-R) \$11.00	\$8.09	\$9.21	\$9.47
Lewiston	\$11.25	(2-R) \$11.25 (6-R) \$11.25	\$8.28	\$9.40	\$9.66
Moscow / Genesee	\$11.05-\$12.40	(2-R) \$11.05 (6-R) \$11.05	\$8.05-\$8.80	\$9.17-\$9.93	\$9.43-\$10.17

## 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 \$8.80-\$8.85 Apr \$8.90-\$9.08 ½	Dec \$9.87 ¾ -\$9.95 ¾ Apr \$10.05 ½ - \$10.12 ½	Dec \$10.12 ¼ -\$10.17 ¼ Apr \$10.29 ¾ -\$10.31 ¾
Los Angeles	\$15.75	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.75	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.20	NQ	NQ	\$8.10	\$8.67	\$9.12
Great Falls	\$8.00-\$11.50	NQ	NQ	NQ	\$8.41-\$8.49	\$8.92-\$9.17
Minneapolis	\$11.56	NQ	\$15.10	NQ	\$9.62 ¾ (12%)	\$10.12 ¼- \$10.30 ¼

## Market trends this week

**BARLEY** – Local barley prices were mostly higher this week, ranging from no change to 25 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

**Barley Competitor/Buyer News** – Stats Canada reported 2012 barley production in Canada reached 8.0 MMT, up 1.5% from the previous year.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 35 cents lower to 15 cents higher; HRW ranged from 7 to 24 cents lower; and DNS ranged from 18 cents lower to 6 cents higher. USDA reported wheat export sales last week were on the low end of trade expectations at 353.1 TMT up 26% from the previous week however it was down 2% from the prior 4-week average. Cumulative wheat export sales total 55% of USDA's projection for the year, compared to a 5-year average of 69%. Export shipments last week totaled 386.5 TMT, up 69% from the previous week and 24% from the prior 4-week average.

**Wheat Competitor/Buyer News** – ABARE trimmed its Australian wheat production estimate this month from an earlier 22.54 MMT to 22.-3 MMT, but certainly not as large as some had expected. The Australian Commonwealth Bank has pegged their wheat crop at 20.8 MMT and exports at 17.9 MMT. USDA currently has estimated wheat production at 21

MMT and exports at 16.5 MMT. Stats Canada issued its final 2012 wheat production estimate of 27.2 MMT, up from their previous estimate of 26.7 MMT and the second biggest crop in the last 16 years. India is preparing to make another 1 to 2 MMT of wheat available for export from government stocks, with Bangladesh the likely importer.

**CORN** – Corn export sales were well below trade expectations, coming in at 51.6 TMT for MY2012/13 which was down considerably from the previous week. Cumulative corn export sales now tally 42% of USDA's projection for the year, compared to a 5-year average of 50.5%. Export shipments last week totaled 292.8 TMT which was down 21% from the previous week and 16% from the prior 4-week average.

**Ethanol corn usage** –DOE's Energy Information Agency reported that U.S. ethanol production showed improvement last week, ticking up to 835,000 bbls per day, up 4% from the previous week but still down 12.5% from a year ago. Corn used for ethanol last week totaled 87.7 million bu, climbing back up above the 86.6 million bu weekly pace needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

**Corn Competitor/Buyer News** – Most analysts expect USDA to trim its Argentine corn production estimate in next week's monthly S&D report from their current estimate of 28 MMT to possibly 23-25 MMT.

**Futures market activity this week**

**WHEAT** – Wheat began the week slightly lower, erasing early gains from weekend export sales to Egypt – the first US export sales to that major importer this year. Prices continued to close modestly lower on Tuesday under pressure from generally poor export pace so far this year, despite common thinking that U.S. wheat will begin to see a pick-up in exports early in the new calendar year. Losses were limited by dry weather concerns across the HRW growing region. Wheat showed resilience, however, moving higher on both Wednesday and again today (Thursday), on support from improving outside markets and ideas that USDA will cut both Australian and Argentine production estimates next week. **Wheat market closes on Thursday, 12/06/12 ...**

	<b>Mar 2013</b>	<u>Weekly Summary</u>	<b>May 2013</b>	<u>Weekly Summary</u>	<b>Dec 2013</b>	<u>Weekly Summary</u>
Chicago	\$8.62	Down \$0.01 ½	\$8.71	Down \$0.01	\$8.91	Up \$0.04 ½
Kansas City	\$9.12	Down \$0.01 ¼	\$9.21 ¾	Down \$0.00 ½	\$9.38 ½	Up \$0.07
Minneapolis	\$9.35 ¼	Down \$0.01 ½	\$9.45	Down \$0.01 ¼	\$9.47 ¾	Up \$0.05 ¾
DNS						

**CORN** – Corn futures remained mostly range bound this week, chopping both sides of unchanged in tandem with soybeans. Prices traded modestly higher on Monday with help from delayed South American plantings and a rebound in soybeans. Prices then slipped modestly lower on Tuesday in the face of little fresh news and spillover pressure from soybeans. Wednesday saw corn prices move high again on strong soybean gains. Corn finished moderately lower today (Thursday), under pressure from demand concerns as USDA reported another week of very poor week of corn export sales that were well below expectations and slipping behind the pace needed to reach USDA's projections for the marketing year. **Corn futures contract closes on Thursday, 12/06/12 for Mar 2013 at \$7.51 ½, down \$0.01 ¼, May 2013 contact at \$7.53, up \$.01 and the Dec 2013 contact at \$6.43 ½, up \$.08 for the week.**

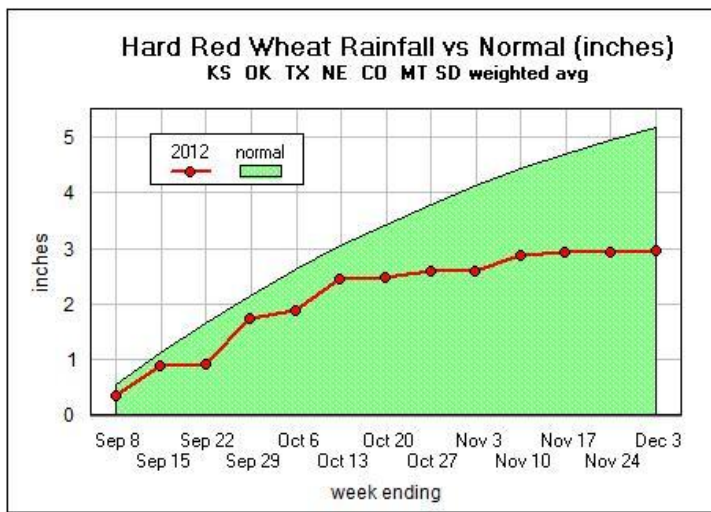
**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil prices were under pressure this week on renewed concerns about global economic growth prospects, particularly in Europe, and a lack of resolution to the U.S. fiscal cliff negotiations. Prices closed modestly higher on Monday – up \$.18 to \$89.09- but then eroded steadily through the remainder of the week – **closing at \$86.26 today (Thursday) on reduced risk sentiment and strength in the US dollar.** DOE's weekly crude oil inventory report was bullish for crude oil but bearish for the product markets...crude oil stocks fell by 2.357 million bbls, compared to an expected decline of 500,000 bbls; distillates increased by 3.027 million bbls, compared to an expected increase of 850,000 bbls; and gasoline stocks increased by a whopping 7.86 million bbls, compared to an expected increase of 1.55 million bbls.

**WEATHER / CROP WATCH –**

**La Nino Weather Signal May Be Emerging** – There are clear signs in the Pacific Sea that the El Nino signal is rapidly decaying and a La Nina influence may be settling in, including evidence that sea surface temperatures have fallen below normal for the first time since May 20 in the sensitive Nino 3.4 region. Poor hard red winter wheat harvests are usually associated with La Nina because of the drought conditions that usually occur in the Southern Plains. A strong La Nina signal (which has not YET formed) could also be associated with a severe summer drought in Southern Brazil, which is already evident in excessive dry conditions in Parana and Rio Grande do Sul – two key corn producing states in that country.

**U.S. winter wheat** – Conditions remained mostly dry in the heart of the hard red winter wheat region this week, but showers were moving across the Dakotas mid week, with chances of light precipitation dipping southward, but not much relief is expected from this storm. Another system is expected to move through the region early next week.



Data source National Climatic Data Center

#### INTERNATIONAL WEATHER / CROP WATCH -

- **Argentina** – Moderate to heavy rainfall for the next few days, followed by drier period middle of next week.
- **Australia** – Harvest conditions were mostly favorable across the continent this week.

## Don't miss these grain marketing & farm and ranch management workshops next week...

### **MONDAY, Dec. 10 GRAIN MARKETING WORKSHOP** on Developing a 2013 Grain Marketing Plan using cash and hedging tools and technical futures signals & making adjustments in changing market environment – **COST IS FREE**

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

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

## **One-Day UI Extension Farm & Ranch Management Tool Workshops – Dec. 11, 12, 13 in Burley, Pocatello and Rexburg**

Burley – Cassia Co. Extension Office	December 11 <sup>th</sup> , 10-3:00
Pocatello – Bannock Co. Fairgrounds	December 12 <sup>th</sup> , 10-3:00
Rexburg – Madison Senior Center	December 13 <sup>st</sup> , 10-3:00

This 5-hour course will focus on the following topics:

- Machine Costs & Custom Rates
- Crop & Livestock Enterprise Budgets
- Employee Compensation
- Fertilizer & Irrigation Recommendations
- Beef Cow Ration Calculator
- Machinery Lease vs. Purchase

**Cost:** \$10 per person includes lunch and materials.

**Computers:** Bring a laptop computer if you have one, or you can use one of ours.

**Registration:** Please call the Teton County Extension Office (208) 354-2961.