

# Idaho Grain Market Report, December 19, 2013

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

We will not publish this report for the next two weeks. We will resume publication on January 9, 2014

*We wish you and your families a Very Merry Christmas and Happy New Year!*

**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 18, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.**

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>		
	<u>FEED</u>				
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$7.75	(2-R) NQ (6-R) NQ	\$5.85	\$6.26	\$6.62
Idaho Falls	\$7.85	(2-R) \$11.50-\$11.75 (6-R) \$11.50	\$5.90	\$5.99	\$6.88
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.10	\$6.70	\$6.70
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$7.50-\$7.75	(2-R) \$11.50 (6-R) \$11.50	\$5.95	\$6.45	\$6.77
Twin Falls / Eden / Buhl	\$7.75-\$9.00	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	\$9.87	(2-R) NQ (6-R) NQ	\$6.00	NQ	NQ
Nez Perce / Craigmont	\$6.30	(2-R) \$6.30 (6-R) \$6.30	\$6.30	\$6.73	\$7.11
Lewiston	\$6.80	(2-R) \$6.80 (6-R) \$6.80	\$6.55	\$6.98	\$7.36
Moscow / Genesee	\$6.30-\$6.75	(2-R) \$6.30 (6-R) \$6.30	\$6.32-\$6.36	\$6.75-\$6.92	\$7.13-\$7.37

**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 \$6.72 <sup>3</sup> / <sub>4</sub> -\$6.97 <sup>3</sup> / <sub>4</sub> Apr \$7.09 <sup>1</sup> / <sub>4</sub> -\$7.20	Dec \$7.43 <sup>3</sup> / <sub>4</sub> - \$7.63 <sup>3</sup> / <sub>4</sub> Mar \$7.57 <sup>3</sup> / <sub>4</sub> - \$7.77 <sup>3</sup> / <sub>4</sub>	Dec \$7.96 <sup>3</sup> / <sub>4</sub> -\$8.11 <sup>3</sup> / <sub>4</sub> Mar \$7.86 <sup>3</sup> / <sub>4</sub> -\$8.11 <sup>3</sup> / <sub>4</sub>
Los Angeles	\$10.85	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.85	NQ	NQ	NQ	NQ	NQ
Ogden	\$7.35	NQ	NQ	\$6.40	\$7.05	\$7.35
Great Falls	\$6.50	NQ	\$9.50	NQ	\$6.09-\$6.20	\$6.59-\$6.61
Minneapolis	\$7.29	NQ	\$11.98	NQ	\$7.53 <sup>3</sup> / <sub>4</sub> (12%)	\$8.06 <sup>3</sup> / <sub>4</sub> -\$8.46 <sup>3</sup> / <sub>4</sub>

**Market trends this week**

**BARLEY** – Local barley prices were mixed this week with southern Idaho locations reporting a range of 25 cents lower to 85 cents higher and northern Idaho reporting no change to 25 cents lower. USDA reported barley export sales totaled 0.5 TMT for Taiwan, and export shipments totaled 0.4 TMT for Taiwan and Japan last week.

**WHEAT** – Local wheat prices were mostly lower this week: SWW ranged from no change to 20 cents lower; HRW ranged from no change to 28 cents lower; and DNS ranged from 42 cents higher to 17 cents lower. USDA reported wheat export sales last week were above trade expectations at 656.1 TMT, up 76% from the previous week and 47% from the prior 4 week average. The leading buyers were Japan, Mexico, Brazil and South Korea. Wheat export shipments last week totaled 376.5 TMT, down 33% from the previous week and 17% from the prior 4 week average.

**Wheat Competitor/Buyer News** – Brazil bought more U.S. wheat as they await word from Argentine wheat exporters that they have government approval to begin shipping 2013 crop wheat. Iraq purchased 350 TMT of Australian wheat.

**CORN** – Corn export sales were above trade expectations last week at 872.3 TMT (827.1 TMT for MY 2013/14 and 45.2 TMT for MY 2014/15), up 19% from the previous week and 2% from the prior 4 week average. Leading buyers were Mexico, China, Taiwan, South Korea and the Dominican Republic. Corn export shipments totaled 693.4 TMT, down 29% from the previous week and 20% from the prior 4 week average. Trade sources indicate that China has rejected about 600 TMT of U.S. corn arriving at Chinese ports due to detection of unapproved GMO material (Syngenta MIN 162 event), but bought more corn last week. U.S. agricultural officials are in China this week for official talks with China and the corn GMO issue is on the agenda. **Informa Economics projected 2014 U.S. corn acreage will total 91.846 million, down from 95.3 million this year.**

**Ethanol corn usage** – DOE's Energy Information Agency reported a downtick in weekly U.S. ethanol production last week to 928,000 bpd, down 16,000 bpd or 1.7% from the previous week but up nearly 13% from a year ago. Corn used for ethanol totaled 97.4 million bu, still above the need weekly pace of 95 million bu to meet the USDA projection of 4.95 billion bu for the marketing year.

**Futures Market trends this week**

**U.S. economic news** – The BIG NEWS this week was the announcement by the Federal Reserve that they will begin tapering their monthly bond purchases by \$10 billion/month (from \$85 billion to \$75 billion/month), starting in January. The markets largely absorbed this highly anticipated news as a positive sign of expanding U.S. economic recovery. The Fed emphasized at the same time that they were keeping short term interest rates at historically low levels to help spur further growth as long as unemployment rate remains above 6.5% and inflation below 2%. They also said they would continue to closely monitor economic conditions and employ policy tools until the U.S. labor market improves substantially. **One positive indicator this week...November housing starts jumped by 22.7%, the best rate since February 2008 and permits for future projects also hit a 5 year high signaling that the construction sector recovery would continue to pick up in 2014.**

**WHEAT** – In low volume holiday trading, wheat markets continued to slump, posting new contract lows in 7 of the last 8 trading sessions. With little fresh supportive news, wheat continued to take the line of least resistance which was lower as world wheat supplies appear to be ample moving into the winter months. Furthermore, northern hemisphere winter wheat crops appear to be in generally good condition with expectations of increased plantings in Europe and the U.S. After trading higher early on supportive export sales, wheat finished lower today (Thursday). **Wheat market closes on Thursday, 12/19/13 ...**

	<b>Mar 2014</b>	<u>Weekly Summary</u>	<b>May 2014</b>	<u>Weekly Summary</u>	<b>Dec. 2014</b>	<u>Weekly Summary</u>
Chicago SRW	<b>\$6.10 ¾</b>	Down \$.18	<b>\$6.17 ½</b>	Down \$.17 ¼	<b>\$6.43 ¾</b>	Down \$.16 ¼
KC HRW	<b>\$6.52 ¾</b>	Down \$.19 ¾	<b>\$6.53 ¾</b>	Down \$.22	<b>\$6.76</b>	Down \$.19 ½
MGE DNS	<b>\$6.46 ¼</b>	Down \$.14 ¼	<b>\$6.56</b>	Down \$.15 ½	<b>\$6.86 ¾</b>	Down \$.15 ¼

**CORN** – Corn prices chopped in a narrow trading range this week, void of fresh supportive news. Continued concerns about additional import rejections by China kept the markets on the defensive, but failed to post fresh contract lows which was a positive technical signal. Corn closed modestly higher today (Thursday) on strong export sales. **Corn futures contract closed on Thursday, 12/19/13 for Mar. 2014 contract at \$4.30½, up \$0.05 for the week, May 2014 contract closed at \$4.38½, up \$.04¾ and the Dec. 2014 contract closed at \$4.57¾, up \$.05¼ for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil also chopped in a narrow trading range this week, with support from the third consecutive week of lower crude oil stocks and the Federal Reserve's decision to keep short term interests rates at historically lower levels. DOE's weekly inventory report was bullish again this week for crude oil: crude oil stocks fell by 2.91 million bbls, in line with expectations; distillates fell by 2.11 million bbls, compared to an expected decrease of 434,000 bbls; and gasoline inventories increased by 1.34 million bbls, compared to an expected increase of 1.5 million bbls. **Crude oil futures settled higher today – closing at \$98.77/bbl - with support from lower crude oil stocks and expectations for expanding demand in 2014.**

**INTERNATIONAL WEATHER / CROP PROGRESS -**

**Argentina** – Warmer and drier conditions prevailed this week, signaling emerging crop stress. After abundant rains in November (125-150% of normal) conditions have turned noticeably drier under a high pressure ridge which is expected to persist through the end of this month. 65% of the corn is reported planted and 54% of wheat harvested.