

Idaho Grain Market Report, Dec. 20, 2012

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

We wish you the Merriest Christmas and Happiest New Year!

We will resume publication of this weekly market report on January 3, 2013.

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Dec. 19, 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	NQ	(2-R) \$12.60-\$13.25 (6-R) \$12.60	NQ	NQ	NQ
Blackfoot / Pocatello	\$11.87	(2-R) \$13.00 (6-R) \$13.00	\$8.00	\$7.85	\$8.31
Grace / Soda Springs	\$11.00	(2-R) NQ (6-R) NQ	\$8.00	\$8.11	\$8.41
Burley / Rupert	\$13.00	(2-R) \$12.60 (6-R) \$12.60	\$7.80	NQ	NQ
Hazelton					
Twin Falls / Eden / Buhl	\$13.10	(2-R) NQ (6-R) NQ	\$7.35	NQ	NQ
Weiser	\$11.60	(2-R) NQ (6-R) NQ	\$8.00	NQ	NQ
Nez Perce / Craigmont	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$7.99	\$8.83	\$9.16
Lewiston	\$10.85	(2-R) \$10.85 (6-R) \$10.85	\$8.18	\$8.79	\$9.35
Moscow / Genesee	\$10.65-\$12.10	(2-R) \$10.65 (6-R) \$10.65	\$7.95-\$8.70	\$9.02-\$9.44	\$9.12-\$9.82

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 \$8.50 ³ / ₄ -\$8.55 ³ / ₄ Apr \$8.76-\$8.90	Dec \$9.38-\$9.48 Apr \$9.64 ³ / ₄	Dec \$9.75 ¹ / ₂ -\$9.80 ¹ / ₂ Apr \$9.93-\$9.95
Los Angeles	\$15.65	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.65	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$7.80-\$8.05	\$8.41-\$8.65
Minneapolis	\$10.62	NQ	\$15.00	NQ	\$9.13 (12%)	\$9.70 ¹ / ₂

Market trends this week

BARLEY – Local barley prices were mostly lower this week, ranging from no change to 60 cents lower in southern Idaho and from no change to 15 cents lower reported in northern Idaho. USDA reported that there were no barley export sales last week, while barley export shipments totaled .7 TMT for Japan

Barley Competitor/Buyer News – Japan purchased 114 TMT of feed barley in an import tender this week.

WHEAT – Local wheat prices were also mostly lower this week: SWW ranged from 20 cents higher to 20 cents lower; HRW ranged from no change to 51 cents lower; and DNS ranged from 5 to 27 cents lower. USDA reported wheat export sales last week were above trade expectations at 671.1 TMT (651.1 TMT for MY 2012/13 and 20 TMT for MY 2013/14), up 26% from the previous week and 46% from the prior 4-week average. Export shipments totaled 408.1 TMT, up 32% from the previous week and 30% from the prior 4-week average.

Wheat Competitor/Buyer News – Egypt purchased 180 TMT of US SRW and 110 TMT of US HRW wheat this week, evidence that US wheat is becoming price competitive as other competitor supplies dwindle. Argentine government

announced they were limiting their wheat exports for the foreseeable future to 2 MMT while their total estimated exports were set at 4.5 MMT, down from an earlier projection of 6.0 MMT. Late last week the Buenos Aires Grain Exchange lowered its Argentine wheat production estimate to 9.8 MMT, compared to USDA's latest projection of 11.5 MMT.

CORN – Corn export sales were very disappointing at only 120.2 TMT (114.4 TMT for MY 2012/13 and 5.8 TMT for MY 2013/14) which was down 56% from the previous week and 65% from the prior 4-week average. Export shipments last week totaled 433.4 TMT, up 68% from the previous week and 32% from the prior 4-week average.

Ethanol corn usage –DOE's Energy Information Agency reported that U.S. ethanol production slipped lower last week to 822,000 bbls per day, down .24% from the previous week and down 12.8% from a year ago. Corn used for ethanol last week totaled 86.3 million bu, almost in line with the weekly pace of 86.6 million bu needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

Corn Competitor/Buyer News – Sino grain officials peg the Chinese corn crop at 198 MMT, compared to USDA's estimate of 208 MMT. Argentine Ag Ministry has lowered its corn planting projection from 4.7 million hectares to 4.6 million because of excessive moisture which has delayed planting in key states. South Korea's largest feed maker issued a tender for 210 TMT of corn but has once again excluded U.S. offers because of price.

Futures market activity this week

Macroeconomic outlook – Economic news out of China and Europe showed some encouraging signs of improvement this week...Germany posted a better than expected business economic sentiment index and Greek stocks rallied after Standard & Poor raised its Greek debt rating from selective default to B- upon their successful completion of their bond buyback program. China's leading economic indicator showed another month of improvement, reinforcing ideas that China is experiencing a mild rebound after their disappointing 3rd GDP reading earlier this fall. China's Q4 GDP is expected to improve from 7.4% to 7.8%. The IMF is projecting world economic growth will improve modestly in 2013, reaching 3.6% compared to 3.3% in 2012.

U.S. economic trends – Markets remained unsettled as hopes for a year-end deficit reduction deal to avert the fiscal cliff inched closer but remained elusive as the House shifted its focus to an alternative plan to permanently extend tax cuts. Meanwhile economic news remained mostly good...Q3 GDP was revised higher to 3.1% from the previous estimate of 2.7% and existing home sales jumped nearly 6%. The Philadelphia Fed index came in much stronger than expected today but earlier in the week the Empire State Fed Index was weaker than expected which demonstrates uneven expansion in manufacturing activity.

WHEAT – Wheat began the week lower as the wheat export shipment pace remained lackluster and weather forecasts turned wetter for the Central U.S. But Tuesday brought modest gains for wheat on ideas that US soft red winter wheat was becoming price competitive on the world market and precipitation totals remained disappointing for much of the winter wheat region. Wheat posted sharp losses today (Thursday) in the face of a major winter storm system which was improving moisture levels across the Central U.S. and lower beans and corn which triggered long liquidations in several commodities. **Wheat market closes on Thursday, 12/20/12 ...**

	Mar 2013	Weekly Summary	May 2013	Weekly Summary	Dec 2013	Weekly Summary
Chicago	\$7.90 ½	Down \$0.23 ½	\$8.02	Down \$0.24 ¼	\$8.30 ½	Down \$0.29
Kansas City	\$8.43 ¾	Down \$0.20 ½	\$8.53 ¼	Down \$0.21	\$8.83 ¼	Down \$0.22 ½
Minneapolis	\$8.83 ¾	Down \$0.19 ¼	\$8.93 ¼	Down \$0.20 ¾	\$9.02 ½	Down \$0.23 ½
DNS						

CORN – Corn prices settled moderately lower on Monday and Tuesday in the face of little fresh demand news and year-end positioning by fund investors. Increased changes of precipitation across the parched Corn Belt and improving weather in South America also weighed on the grain markets. Prices slumped double digits on Wednesday as spillover pressure from soybeans triggered a wave of technical selling. Corn extended its losses today (Thursday), pressured by very weak export sales and negative technical chart signals. **Corn futures contract closes on Thursday, 12/20/12 for Mar 2013 at \$6.96 ½, down \$0.34 ¼, May 2013 contract at \$6.99 ¾, down \$.34 and the Dec 2013 contract at \$6.03 ¾, down \$.24 ¼ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Strong gains in global equities and weakness in the dollar lifted crude oil prices this week. A mixed but mostly bullish weekly inventory report provided an additional boost on Wednesday, pushing prices close to the \$90 mark. DOE's weekly crude oil inventory report showed crude oil stocks fell by 964,000 bbls, compared to an expected decrease of 1.75 million bbls; distillates fell by 1.085 million bbls, compared to an expected increase of 1.0 million bbls; and gasoline stocks increased by 2.21 million bbls, compared to an expected increase of 2.0 million bbls. **Crude oil prices inched up today (Thursday) to close at \$90.13 on support from positive U.S. economic data.**