

## Idaho Grain Market Report, December 23, 2009

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

**The IBC wishes you and your families a Very Joyous Holiday Season!!**

Our next weekly report will be published on January 7, 2010

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 23, 2009. Barley prices in \$/Cwt. and wheat prices in \$/bu.

Selected Locations	Barley (Cwt.)		Wheat (bu.)		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$6.25 (6-R) \$6.25	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.30	\$4.20	\$5.31
Idaho Falls	\$5.75	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.32	\$4.25	\$5.41
Blackfoot / Pocatello	\$5.72	(2-R) \$6.25 (6-R) \$6.25	\$4.40	\$4.01	\$5.31
Grace / Soda Springs	\$5.76-\$6.00	(2-R) NQ (6-R) NQ	\$4.20	\$4.01-\$4.10	\$5.05-\$5.27
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$4.14	\$4.03	\$5.14
Twin Falls / Eden / Buhl	\$5.50-\$7.50	(2-R) NQ (6-R) NQ	\$3.80-\$4.50	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$3.94	NQ	NQ
Nez Perce / Craigmont	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.35	\$4.93	\$6.04
Lewiston	\$5.55	(2-R) \$5.55 (6-R) \$5.55	\$4.54	\$5.12	\$6.23
Moscow / Genesee	\$5.15-\$6.50	(2-R) \$5.15 (6-R) \$5.15	\$4.31-\$5.03	\$4.89-\$5.52	\$6.00-\$6.68

### Trading Prices at Selected Terminal Markets, cash prices FOB

	Barley (Cwt.)			Wheat (bu.)		
	#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	Jan \$4.85-\$5.05 Aug NC \$4.80-\$5.1!	Aug NC \$5.79-\$5.89	Aug NC \$6.47-6.51
Los Angeles	\$8.95	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.95	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.83	NQ	NQ	\$4.45	\$4.26	\$5.44
Great Falls	\$5.00-\$5.25	NQ	\$6.50	NQ	\$3.96-\$4.29	\$5.50-\$5.73
Minneapolis	\$5.42	NQ	\$7.29	NQ	\$4.92 ¼ (12%)	\$6.29 ¼ - \$6.54 ¼

### Market trends this week

**BARLEY** – Local barley prices were mostly unchanged to 15 cents higher in southern Idaho and 10 cents higher in northern Idaho.

**WHEAT** – Local wheat prices were also mixed: SWW ranged from minus 15 cents to plus 10 cents; HRW prices ranged from minus 2 to minus 17 cents; and DNS prices ranged from minus 26 cents to plus 4 cents. U.S. wheat export shipments last week were on the low end of trade expectations at 361.6 TMT. **Cumulative wheat export shipments now stand at 53.4% of the USDA's projection for MY 2009/10, compared to a five year average pace 58.1%.**

**Winter wheat planting projection** - Informa Economics projected last Friday that U.S. winter wheat area would decline by 4 million acres or 10% to 39.4 million acres. This lower figure was not a major surprise to the trade because of a combination of lower prices and prolonged Midwestern wet weather which prevented some SRW acres from being planted. However, the winter wheat acreage is likely to be revised higher in USDA's first acreage report next month.

**Wheat Competitor/Buyer News** – Egypt reportedly has a 5 month wheat supply on hand and is considering a long term wheat supply agreement with Russia which might involve Russian investment in additional grain storage facilities. Algeria purchased 300 TMT of wheat this week, most likely French origin.

**CORN** – Export shipments last week were well below trade expectations at 451.2 TMT. **Cumulative corn export shipments now stand at 23.5% of the USDA’s export projection for MY 2009/10, compared to a five year average pace of 30.1%.**

**Final 2009 production estimate** - Informa Economics projected last Friday that the final national average corn yield would be 164.5 bpa, resulting in a total crop of 12.97 billion bushels, compared to USDA’s November estimate of 162.9 bpa and 12.921 billion bushels. USDA will release its revised production estimate on January 12.

**Cattle on feed** – Last Friday, USDA estimated U.S. cattle on feed at 99% of a year ago, while placements were only 92% of 2008 levels, below a trade estimate of 95%.

**Corn Competitor/Buyer News** – New corn export sales were reported this week - 176 TMT to Mexico and 55 TMT to South Korea.

**Futures market activity this week**

**WHEAT** – Wheat began the week lower under pressure from light volume and typical end of year fund liquidations. A firmer dollar also added pressure. Wheat was mixed but mostly higher in light volume trading on Tuesday. Speculative short covering and a lower dollar provided support. Wheat finished solidly higher today (Wednesday), boosted by a sharp sell off in the dollar and expectations of renewed fund investments in the new year. **Wheat market closes on Wednesday, 12/23/09.**

	<b>Mar 09</b>	<b>Weekly Summary</b>	<b>May 2010</b>	<b>Weekly Summary</b>
Chicago	\$5.29	Up \$.01	\$5.42 ½	Up \$.01 ¼
Kansas City	\$5.23	Down \$.01 ¼	\$5.35	Down \$.01
Minneapolis DNS	\$5.34 ¼	Down \$.01	\$5.45 ¾	Down \$.01 ¼

**CORN** – Corn began the week modestly higher despite losses in soybeans and wheat. Gains were attributed to repositioning ahead of the extended holiday vacation. Corn fell back on Tuesday in choppy light volume trading. A late plunge in the dollar provided some support into the close of the session, but profit taking limited gains. Corn finished higher today (Wednesday), although fresh news and volume were both light. Expectations of increased index fund investments in corn futures in the new year added to the positive tone. **Mar 2010 corn contract closed Wednesday, 12/23/09, at \$4.04 ¾, up \$.07 for the week and the May 2010 contact closed at \$4.15¼, up \$.06 ¾ for the week.**

**Other Major Factors to Watch -**

§ **Crude Oil** – Crude oil chopped around in a very narrow trading range this week, hovering around \$70/bbl, which is nearly \$30/bbl more than trading values from a year ago. OPEC ministers met on Tuesday, and as was expected, made no changes to production quotas. Wednesday’s weekly inventory report was bullish again this week - showing crude oil stocks declining 4.9 million bbls, compared to expected decrease of 1.6 million bbls; distillates also were bullish with a draw of 3.1 million bbls, compared to an expected draw of 2.0 million bbls; while gasoline stocks fell .9 million bbls, compared to an expected build of 1.0 million bbls.

§ **U.S. weather / crop watch** – U.S. corn harvest is 95% completed, with about a half of billion bushels estimated remaining in the field to be harvested, raising further concerns about loss of quality and yield potential. However, Informa Economics expects the national average corn yield to inch upward to 164.5 bpa from USDA’s November peg of 162.9 bpa. Snow and freezing rain were spreading from the northwestern Corn Belt eastward across the Plains today but was expected to turn drier by the weekend. **Winter wheat** - weather across the Central Plains remains mostly beneficial for the dormant winter wheat crop, with an insulating layer of snow providing needed cover against bitter cold temps. According to state crop reports, the Kansas winter wheat crop is rated at 73% good/excellent and the Oklahoma crop is 76% good/excellent.

§ **International weather / crop watch –**

§ **Argentina** – Beneficial rainfall continued to fall across much of central Argentina this week, while drier conditions were noted in the north where corn and soybean planting was progressing well. Wheat harvest is reported to be more than 40% completed with yields lagging about 29%.

§ **Australia** – Dry weather continued to aid winter grain harvest across southeastern and western Australia.

§ **Former Soviet Union** – Snowy conditions prevailed across Ukraine and Russia, providing insulation for winter grains against winterkill.