

Idaho Grain Market Report, March 26, 2009

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 25, 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) \$7.50 (6-R) \$7.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.35	\$4.75	\$6.40
Idaho Falls	\$5.75	(2-R)\$8.44-\$8.50 (6-R)\$8.44	\$4.35	\$4.75	\$6.45
Blackfoot / Pocatello	\$5.58	(2-R) \$7.50 (6-R) \$7.50	\$4.50	\$4.83	\$6.67
Grace / Soda Springs	\$6.32	(2-R) NQ (6-R) NQ	\$4.25	\$4.78	\$6.36
Burley / Rupert Hazelton	\$6.00	(2-R) \$8.44 (6-R) \$8.44	\$4.12-\$4.20	\$4.67	\$6.22
Twin Falls / Eden / Buhl	\$7.00	(2-R) NQ (6-R) NQ	\$3.50	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Nez Perce / Craigmont	\$4.63	(2-R) \$6.13 (6-R) \$6.13	\$4.91	\$5.34	\$6.99
Lewiston	\$5.08	(2-R) \$6.58 (6-R) \$6.58	\$5.10	\$5.53	\$7.18
Moscow / Genesee	\$4.68-\$6.00	(2-R) \$6.18 (6-R) \$6.18	\$4.87-\$5.55	\$5.30-\$5.95	\$6.95-\$7.62

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	Mar \$5.40-\$5.60 Aug NC \$5.11-\$5.35	Mar \$5.94-\$5.96 Aug NC \$6.04-\$6.14	Mar \$7.58-\$7.68 Aug NC \$6.78-\$6.83
Los Angeles	\$8.70	NQ	NQ	NQ	NQ	NQ
Stockton	\$9.00	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.70	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$5.00-\$5.50	NQ	\$8.00	NQ	\$4.05-\$4.57	\$6.35-\$6.82
Minneapolis	\$5.62	NQ	NQ	NQ	\$5.88 (12%)	\$7.05-\$7.20

Market trends this week

BARLEY – Local barley prices were mixed, ranging from 25 cents lower to 80 cents higher this week. USDA reported barley export sales last week totaled 10 TMT for Canada. Barley export shipments totaled 2.1 for Canada and Mexico.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from 15 cents lower to 5 cents higher; HRW ranged from 60 cents lower to no change; and DNS from 46 to 15 cents lower. U.S. wheat export sales last week were below trade expectations at 264 TMT, up 24% from the previous week however it was down 20% from the prior 4-week average. Export shipments last week totaled 592.9 TMT, up 90% from the week before and 81% from the prior 4-week average.

Wheat Competitor/Buyer News – European farm agency COCERAL is projecting EU's 2009 crop at 128.3 MMT, down 9% from last year. Kazakhstan is projecting their 2009 wheat crop will be 10% higher. Russia is talking about selling 1 to

1.5 MMT of grain now held in government intervention stocks. Syria purchased 100 TMT of Russian wheat this week. Saudi Arabia is tendering for 500 TMT of wheat and the United Arab Emirates 40 TMT.

CORN – Corn export sales were well above trade expectations last week at 1.19 MMT, up 270% from the previous week and 72% from prior 4-week average. Export shipments last week totaled 776.4 TMT, which were down 17% from the previous week and 16% from the prior 4-week average.

Corn Competitor/Buyer News – Rumors this week that Thailand will be selling up to 450 TMT of corn from government stocks. South Korea purchased 220 TMT U.S. corn this week.

Futures market activity this week

Stocks continued to surge higher this week on a string of better than expected economic news, including:

- § Favorable response to Treasury's detailed plan to buy up billions in bad bank assets through a public-private partnership;
- § Better than expected new home sales - up nearly 5% or 337,000 compared to expected 300,000 (still down 40% from a year ago);
- § Mortgage rates have fallen to the lowest levels in 52 years;
- § Better than expected durable goods orders – up 3.4% compared to expected decline of 2.5%;
- § Revised 4th Quarter GDP decline of 6.3% compared to expected 6.6% contraction.

Wheat – Wheat futures began the week mixed to slightly lower with support from a sharply lower dollar and strong export inspections offset by increased farmer selling. Wheat prices slumped on Tuesday in thin/quiet trading, under pressure from wet weather and a firmer U.S. dollar. A continued wet weather forecast and profit-taking pressures drove prices sharply lower on Wednesday. Many speculative traders exited the markets ahead of incoming storm systems which are expected to bring widespread beneficial moisture across the Central and Southern Plains. Wheat finished higher today (Thursday) on support from outside markets. **Wheat market closes on Thursday, 3/26/09...**

	<u>May 09</u>	<u>Weekly Summary</u>	<u>July 09</u>	<u>Weekly Summary</u>
Chicago	\$5.14 ½	Down \$.35 ¾	\$5.27	Down \$.35 ½
Kansas City	\$5.60	Down \$.43	\$5.70 ¾	Down \$.43 ¼
Minneapolis DNS	\$6.12 ¾	Down \$.23	\$6.07 ½	Down \$.24 ¼

Corn – Corn prices began the week modestly lower as fund buying triggered by higher crude oil and equities was met by active cash movement. Tuesday saw another modest decline as early fund buying driven by inflationary concerns reversed direction late in the session. Corn continued to grind lower on Wednesday on profit-taking and spillover pressure from wheat and soybeans. Lower crude oil also provided additional pressure. Corn finished higher today (Thursday) with support from a better than expected weekly export sales report and higher energies and stocks. **May 09 corn contract closed on Thursday, 3/26/09, at \$3.90 ¾, down \$.05 ¾ for the week and the July 09 contract at \$4.01 ¼, down \$.05 ¾ for the week.**

Other Major Factors to Watch

- § **Acreage projections** – **USDA releases their prospective planting report on March 31.** The average pre-report estimate for spring wheat acres is 13.639 million (down 4%) and all wheat acres at 58.856 million (down 7%). The average corn acre estimate is 84.548 million (down 2%).
- § **Crude oil** – Crude oil began the week higher, topping \$53/bbl, with underlying support from improving economic indicators. But Wednesday brought renewed pressure from another bearish weekly inventory report, showing crude oil stocks increasing by 3.3 million barrels – more than double what trade analysts had expected – swelling to the highest level since 1993. However, gasoline and distillate inventories both saw bigger than expected declines – gasoline experienced a draw of 1.1 million bbls vs. an expected draw of .6 million bbls. Distillates saw a draw of 1.6 million bbls vs. an expected .1 million bbls.
- § **International Weather/Crop Watch** –
 - **U.S. winter wheat belt** – Precipitation levels have remained well below normal across much of the Midwest this winter, but a series of storm systems were expected to move through the Central U.S. and High Plains this week and into next week, easing drought concerns in many key winter wheat areas where crops have seen development slow recently because of moisture stress.