

**Idaho Grain Market Report, April 9, 2009**

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, April 8, 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	\$4.30	\$5.00	\$6.90
Idaho Falls	\$6.00	(2-R)\$8.44-\$8.50 (6-R)\$8.44	\$4.40	\$5.03	\$6.70
Blackfoot / Pocatello	\$5.64	(2-R) \$7.50 (6-R) \$7.50	\$4.40	\$4.88	\$6.85
Grace / Soda Springs	\$6.57	(2-R) NQ (6-R) NQ	\$4.23	\$4.95	\$6.63
Burley / Rupert Hazelton	\$6.00	(2-R) \$8.44 (6-R) \$8.44	\$4.20-\$4.29	\$4.86	\$6.57
Twin Falls / Eden / Buhl	\$6.35	(2-R) NQ (6-R) NQ	\$4.08	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.35	NQ	NQ
Nez Perce / Craigmont	\$4.37	(2-R) \$4.37 (6-R) \$4.37	\$4.87	\$5.61	\$7.31
Lewiston	\$4.82	(2-R) \$4.82 (6-R) \$4.82	\$5.10	\$5.80	\$7.50
Moscow / Genesee	\$4.42-\$6.00	(2-R) \$4.42 (6-R) \$4.42	\$4.87-\$5.55	\$5.57-\$6.30	\$7.27-\$8.04

**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	Apr \$5.45-\$5.52 Aug NC \$5.40-\$5.54	Apr \$6.14-\$6.30 Aug NC \$6.26-\$6.33	Apr \$7.91-\$8.01 Aug NC \$7.14-\$7.24
Los Angeles	\$9.25	NQ	NQ	NQ	NQ	NQ
Stockton	\$9.75	NQ	NQ	NQ	NQ	NQ
Tulare	\$9.25	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.64	NQ	NQ	\$4.52	\$5.13	\$6.87
Great Falls	\$5.00-\$5.55	NQ	\$8.00	NQ	\$4.71-\$4.87	\$6.10-\$6.42
Minneapolis	\$5.72	NQ	NQ	NQ	\$6.23 ½ (12%)	\$7.45 ½ - \$7.50 ½

**Market trends this week**

**BARLEY** – Local barley prices were mixed, ranging from \$1.51 lower to \$.25 higher this week. USDA did not report any barley export sales last week. Barley export shipments totaled 1 TMT for Canada.

**USDA's S&D report for MY 2008/09 - BARLEY – April 9** – USDA made only minor adjustments to its U.S. barley balance sheet this month. They lowered domestic feed usage by 5 million bu to 65 million bu, lowered exports by 1 million bu to 14 million bu due to a slow export pace, and raised U.S. ending stocks by 6 million bu to 89 million bu. They also adjusted their average farm-gate price to \$5.20-\$5.30/bu.

**Summary for MY 08/09 -**

- World barley production is up 15% to 153.8 MMT. US production increased 13% to 5.2 MMT.
- World barley supplies are 12% higher at 174 MMT, and US supplies are 10% higher at 6.7 MMT.
- World barley trade is expected to fall by 1% to 18.4 MMT. US exports are projected to fall by 62% to .35 MMT, due to greater competition from Australia, Canada and the Black Sea region.

- World barley consumption is projected to increase 7% to 143.9 MMT, and US usage is expected to increase 16% to 5.1 MMT.
- World barley carryover stocks are estimated to jump 49% to 30 MMT, while US carryout is projected to increase by 30% to 1.9 MMT.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 5 cents lower to 8 cents higher; HRW ranged from 10 cents lower to 27 cents higher; and DNS from 8 cents lower to 50 cents higher. U.S. wheat export sales last week were within trade expectations at 189.4 TMT (plus 184.2 TMT new crop), down 33% from the previous week and 33% from the prior 4-week average. Export shipments last week totaled 508.7 TMT, which were up 35% from the week before and 17% from the prior 4-week average. Cumulative wheat export sales have reached 96% of the USDA forecast for the marketing year, compared to a 5-year ave. of 93.8%.

**USDA's S&D report for MY 2008/09 - WHEAT – April 9** - USDA make a few adjustments in this month's balance sheet – they raised wheat imports by 5 million bu to 125 million bu based on the pace of Canadian imports; raised seed usage by 1 million bu to 79 million bu; raised domestic feed usage by 20 million bu to 250 million bu; and lowered ending stocks by 16 million bu to 696 million bu. This was in line with the average pre-report trade estimate of 697 million bu. **World wheat production was cut by 2.4 MMT this month to 682 MMT (more than 73 MMT above last year), but lower production was offset by increased carryin stocks of 1.3 MMT reported by Argentina. World wheat consumption was cut by more than 2 MMT due to lowered expected feed use in EU-27 and South Korea and lower food use in Ethiopia. World wheat ending stocks were increased by 2.3 MMT to 158.1 MMT, which is 36 MMT above last year.**  
**Summary for MY 08/09 -**

- World wheat production is 11% higher at 682 MMT. The US wheat crop is 21% larger at 68 MMT.
- World wheat supplies are 9% higher at 804.4 MMT, while US supplies are 11% bigger at 76.3 MMT.
- World wheat trade is expected to increase 12% to 130.6 MMT, while U.S. exports are estimated to decrease 23% to 26.5 MMT.
- World wheat consumption is projected to increase by 5% to 646.3 MMT, and U.S. consumption is expected to increase by 19% to 34 MMT.
- World wheat carryover stocks are estimated to increase by 29% to 158 MMT. US stocks are pegged to jump 137% to 18.9 MMT.

**Wheat Competitor/Buyer News** – Brazilian Ag Ministry pegged their wheat crop this week at 5.2 MMT, below last month's estimate of 6.0 MMT. USDA pegged the Brazilian wheat crop at 6.0 MMT in today's S&D report. USDA raised their export projections for several countries in today's report - EU-27 by 1.5 MMT to 21.0 MMT, Argentina by 1.0 MMT to 4.5 MMT, Russia by .5 MMT to 16.5 MMT and Ukraine by 1.0 MMT to 11.0 MMT. USDA cut their Canadian wheat export estimate by 1.5 MMT to 17.5 MMT. Iraq purchased 250 TMT wheat this week – 100 TMT U.S., 100 TMT Russian and 50 TMT Canadian. Syria purchased 200 TMT Russian or EU wheat.

**CORN** – Corn export sales were above trade expectations again last week at 1.06 MMT (plus 18.9 TMT new crop), down 15% from the previous week however they were up 7% from prior 4-week average. Export shipments last week totaled 1.06 MMT, which were up 6% from the previous week and 12% from the prior 4-week average. Cumulative corn export sales have reached 78.8% of the USDA forecast for the marketing year, compared to a 5-year ave. of 77.2%.

**USDA's S&D report for MY 2008/09 - CORN – April 9** - USDA raised domestic feed usage by 50 million bu to 5.35 billion bu, lowered food, seed and industrial usage by 10 million bu to 4.99 billion bu and lowered ending stocks by 40 million bu to 1.7 billion bu. This is 31 million bu below the average pre-report trade estimate of 1.731 billion bu. USDA raised their farm gate price estimate to \$4.00 - \$4.40/bu. **World corn production was cut this month by .7 MMT to 786.4 MMT and global ending stocks were cut by 1.3 MMT to 143.3 MMT, which is 14 MMT above a year ago.**  
**Summary for MY 08/09 -**

- World corn production fell 1% to 786.4 MMT. The US corn is down 8% to 307.4 MMT.
- World corn supplies increased by 1% to 916 MMT, while US supplies are 5% lower at 348.6 MMT.
- World corn trade is projected to decrease 23% to 76.1 MMT, due to increased availability of feed wheat and lower feeding rates. US corn exports are expected to decrease 28% to 44 MMT.
- World corn consumption is steady at 772.7 MMT. US usage is also expected to stay about the same at 262.6 MMT.
- World corn carryover stocks are estimated to increase 10% to 143.3 MMT, while US stocks are expected to increase by 4% to 43 MMT.

**Corn Competitor-Buyer News** – Brazilian Ag Ministry pegged their corn crop this week at 51.9 MMT, up from last month's estimate of 50.4 MMT. USDA pegged the Brazilian crop today at 50.5 MMT.

#### Futures market activity this week

After an impressive 4-week advance, stocks pulled back early this week on concerns about banks and auto companies. Investors also are nervous about dismal first quarter corporate earnings reports which were led off with Alcoa's earnings report on Tuesday which showed bigger than expected losses. Some notable traders stated this week that the economy

has not yet turned the corner, which they believe will be confirmed by disappointing earnings reports in the days ahead. In addition, General Motors announced that it was speeding up its preparations for bankruptcy filing in the event they cannot meet the federal government's June 1 restructuring deadline which could pave the way for more federal bailout money. Equities shrugged off a revised economic outlook from the Federal Reserve which shows a slower than expected recovery this year (flat growth in the second half of 2009 and slow growth in early 2010) to close higher on Wednesday, which has some traders thinking that the Dow bottomed out in early March. An unexpected announcement by Wells Fargo today (Thursday) that they expected to report a \$3 billion profit in the first quarter 09 sparked an impressive rally to close out the week (markets are closed on Good Friday).

**Volatility was back this week causing the commodity markets to give back most of last week's gains...**

**Wheat** – Wheat futures began the week lower under pressure from fund selling that was mostly triggered by weak outside markets and a lack of fresh fundamental news. Losses were limited by lingering weather worries, with the outlook calling for more precipitation as well as freezing temperatures that could dip into the Southern Plains. Tuesday saw wheat prices tumble further in choppy see-saw action. The negative sentiment was attributed to a firmer US dollar, weak outside markets and ideas that freeze damage from back to back nights of subfreezing temps was not too widespread. Prices continued to slide on Wednesday as concerns about possible frost damage were outweighed by ideas that U.S. wheat was overpriced in global markets. Funds rolling their positions out of nearby contracts also weighed on the market. Wheat finished lower today (Thursday) on a higher dollar and profit-taking pressures ahead of the three-day weekend. The 6-10 day weather outlook is wetter, although models disagree on how much moisture is expected in the hard red winter wheat belt. **Wheat market closes on Thursday, 4/09/09...**

	<u>May 09</u>	<u>Weekly Summary</u>	<u>July 09</u>	<u>Weekly Summary</u>
Chicago	\$5.22	Down \$.41 ½	\$5.33 ½	Down \$.42 ¼
Kansas City	\$5.70 ½	Down \$.37	\$5.80	Down \$.37 ¾
Minneapolis DNS	\$6.44 ½	Down \$.27	\$6.28 ¼	Down \$.32 ½

**Corn** – Corn prices began the week modestly higher on support from a stronger than expected export inspections offset by weakness in crude oil and equities. Corn turned lower on Tuesday as weakness in outside markets outweighed concerns about planting delays from persistently cool, wet weather throughout the Central U.S. Corn prices closed fractionally higher on Wednesday on surging crude oil and soybeans, reinforced by planting delay concerns. Corn finished lower today (Thursday) as profit-taking pressures overwhelmed a mostly supportive S&D report. Active storm systems are expected for the next two weeks. **May 09 corn contract closed on Thursday, 4/9/09, at \$3.90 ¼, down \$.14 ¼ for the week and the July 09 contract at \$3.99 ¾, down \$.15 for the week.**

**Other Major Factors to Watch**

- § **Crude oil** – Crude oil chopped around this week, but was trading higher today. Wednesday's inventory report showed a surprising drawdown in distillate stocks which is consistent with increased diesel demand this time of year – stocks fell 3.35 million bbls compared to an expected drawdown of 600,000 bbls. Crude oil stocks increased by 1.65 million barrels (expected a build of 1.5 million bbls) and gasoline stocks increased by .65 million bbls (expected draw of 1.4 million bbls).
- § **U.S. winter wheat crop rating / frost losses** – In its first U.S. crop condition report for the new crop year, USDA pegged U.S. winter wheat at 43% good/excellent, compared to 45% a year ago. However, a condition index score of 317 out of a possible 500 was below the 10-year average of 339 and the 5<sup>th</sup> worst score for the first week of April. Ratings for the soft red and white winter wheat crops were generally good, but the hard red winter wheat crop continues to suffer from prolonged drought. Kansas was rated at 39% g/ex, Oklahoma at 25% g/ex and Texas at only 12% g/ex. Frost losses this week in the hard red winter wheat crops in the jointing stage in CO, KS and OK are estimated to be in the range of 25 to 40 million bu. Crop condition ratings in the next few weeks should tell the story. **Idaho winter wheat was rated at 80% g/ex this week.**
- § **International Weather Watch** –
  - **Europe** – Dry weather in central and northern Europe was promoting spring grain planting. Heavy rains in parts of southern Europe favored winter grain development.
  - **Russia / Ukraine** – Unseasonable mild conditions were promoting greening of winter grains and a steady pace of spring grain planting.
  - **China** – Frost in Shandong province caused localized burn back of vegetative winter wheat. Conditions remain warm and dry across China's Corn Belt.
  - **Middle East** – recent rains have eased long-term drought conditions in this region.