

Idaho Grain Market Report, June 4, 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, June 3, 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	\$6.00	(2-R) NQ (6-R) NQ	\$4.72	\$5.81	\$6.85
Idaho Falls	\$6.50	(2-R)\$7.81-\$8.50 (6-R)\$7.81	\$4.94	\$5.70	\$7.38
Blackfoot / Pocatello	\$6.66	(2-R) \$7.50 (6-R) \$7.50	\$4.80	\$5.40	\$6.75
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$6.00	(2-R) \$7.81 (6-R) \$7.81	\$4.75-\$4.85	\$5.56	\$6.74
Twin Falls / Eden / Buhl	\$6.85	(2-R) NQ (6-R) NQ	\$4.60	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$5.05	NQ	NQ
Nez Perce / Craigmont	\$5.62	(2-R) \$5.62 (6-R) \$5.62	\$5.51	\$6.25	\$8.02
Lewiston	\$6.07	(2-R) \$6.07 (6-R) \$6.07	\$5.70	\$6.44	\$8.21
Moscow / Genesee	\$5.67-\$6.75	(2-R) \$5.67 (6-R) \$5.67	\$5.47-\$6.20	\$6.21-\$7.15	\$7.48-\$8.39

Trading Prices at Selected Terminal Markets, cash prices FOB

	Barley (Cwt.)		Malting	Wheat (bu.)		
	#2 Feed 46 lbs. -- unit trains barge	Single rail cars-domestic		#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	June \$6.10-\$6.25 Aug NC \$6.15-\$6.25	June \$6.87-\$7.02 Aug NC \$6.95-\$7.10	June \$8.13-\$8.28 Aug NC \$8.09-\$8.24
Los Angeles	\$9.40	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$9.40	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$5.40	NQ	NQ	NQ	\$5.32-\$5.44	\$7.22-\$7.49
Minneapolis	\$5.83	NQ	\$9.68	NQ	\$6.81 ¼ (12%)	\$7.78 ¼ - \$7.83 ¼

Market trends this week

**BARLEY** – Local barley prices were slightly higher, ranging from no change lower to 25 cents higher this week. USDA did not report any barley export sales last week. Barley export shipments last week totaled .3 TMT for Mexico.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 18 cents lower to 20 cents higher; HRW ranged from 8 cents lower to 3 cents higher; and DNS from 22 to 50 cents lower. U.S. wheat export sales were below trade expectations last week at 88.4 TMT (new crop sales totaled 177 TMT), down 15% from the previous week and 27% from the prior 4-week average. Export shipments last week totaled 287.6 TMT, which was down 38% from the week before and 21% from the prior 4-week average. Cumulative wheat export shipments for the new Marketing Year 2009-10 are 10.2% of the USDA estimate for the year, compared to a five-year average of 16.6%.

**Wheat Competitor/Buyer News** – Buenos Aires Grain Exchange lowered their Argentine wheat planting projections to 3.2 million hectares from an earlier projection of 3.7 mha, and down at least 30% from last year. Pakistan is expected to export 200 TMT of wheat due to an expected bumper crop.

**CORN** - Corn export sales were below trade expectations last week at 604.5 TMT (new crop sales totaled 54.3 TMT) which was down 20% from the previous week and 19% from prior 4-week average. Export shipments last week totaled 856 TMT, which was up 6% from the previous week however it was down 4% from the prior 4-week average. Cumulative corn export shipments for MY 2008-09 are running at 92.0% of the USDA estimate for the year, compared to a five-year average of 89.4%.

### Futures market activity this week

**Commodities** - A “sell the dollar and buy commodities” mentality continued to bolster grain futures this week, as traders rush to convert cash that is depreciating into hard assets that are considered a good hedge against inflation. For now, the value of the dollar will continue to hold significant influence over money flows into commodities.

**Wheat** – Wheat futures rocketed higher on Monday on a combination of short covering and new fund buying that was triggered by a collapse in the dollar. Profit-taking pressures, however, drove prices down in typical turn-around Tuesday fashion. Prices continued to sag sharply lower on Wednesday under pressure from widespread profit-taking, weak cash markets and a stronger dollar. Wheat finished higher today (Thursday) on short covering and a moderately lower dollar.

**Wheat market closes on Thursday, 6/04/09...**

	<u>July 09</u>	<u>Weekly Summary</u>	<u>Sept 09</u>	<u>Weekly Summary</u>
Chicago	\$6.35 ¼	Down \$.02	\$6.63 ¼	Down \$.00 ½
Kansas City	\$6.90	Up \$.03	\$7.00 ¾	Up \$.02 ¼
Minneapolis DNS	\$7.61 ¼	Down \$.10 ¾	\$7.63	Down \$.12 ½

**Corn** – Corn prices began the week strongly higher on support from a plunging U.S. dollar and sharply higher crude oil. Prices continued to climb higher on Tuesday with continued support from outside markets, but gains were limited by an increase in farmer selling. Corn prices retreated on Wednesday in the face of massive fund liquidation across most markets sparked by a sharp rally in the dollar. Corn finished higher today (Thursday) on a combination of short covering, lower dollar and higher crude oil. Corn Belt weather remains mixed – dry into the late weekend but then precipitation and cooler than normal temps are expected next week. **July 09 corn contract closed on Thursday, 6/04/09, at \$4.48 ½, up \$.12 ¼ for the week and the Sept 09 contact at \$4.58 ¼, up \$.12 for the week.**

### Other Major Factors to Watch

- § **Crude Oil** – crude oil chopped around this week, falling on Wednesday to \$66/bbl on an unexpected rise in crude oil stocks. Wednesday’s weekly petroleum report showed crude oil inventories increasing by 2.9 million bbls, compared to an expected draw of 1.5 million bbls; distillate stocks also were bearish, increasing 1.7 million bbls, compared to an expected increase of .9 million bbls; and gasoline stocks fell by 215,000 bbls, compared to an expected build of .65 million bbls.
- § **U.S. weather / crop watch** – Rain fell across the midsection early in the week, but turned drier today through the weekend. Precipitation is expected to return by early next week and temperatures are forecast to be cooler than normal, keeping crop development behind normal.
- § **International weather / crop watch** –
  - § **Canada** – Warmer weather is boosting crop emergence and development, but drought concerns linger in areas of west-central Saskatchewan and central Alberta, which are battling record dryness since April 1.
  - § **Europe** – moisture continued across areas of Northern and Eastern Europe, providing favorable growing conditions for both winter and spring grains.
  - § **Russia / Ukraine** – Light showers across southern Russia were favorable for winter and spring grains, but most of the Ukraine remains drier than normal which is causing plant stress.
  - § **China** – Dry weather continued to aid winter grain harvesting in the North China Plains.
  - § **Middle East** – Dry weather accelerated winter grain harvesting in Turkey.
  - § **Northwest Africa** – Thunderstorms interrupted winter grain harvest.
  - § **Argentina** – Some light showers provided beneficial moisture for wheat germination in the Buenos Aires region, but other areas remained unfavorably dry. **There is increasing talk that wheat acres could fall to their lowest level since 1903. This week the Buenos Aires Grain Exchange lowered their wheat planting projections to 3.2 million hectares from an earlier projection of 3.7 mha, and down at least 30% from last year.**
  - § **Australia** – Widespread rains have recharged topsoil across the country, aiding planting progress. However, the threat of a new El Nino weather pattern could result in production problems later in the season.

**USDA Crop Progress / Condition Report, June 1, 2009**

<b>Crop</b>	<b>% Planted</b>	<b>Previous Week</b>	<b>Previous Year</b>	<b>5-Year Average</b>	<b>Condition rating % good/excellent</b>	<b>Previous Week</b>	<b>Previous Year</b>
US barley	87%	77%	99%	98%	72%	NA	59%
<b>ID barley</b>	<b>97%</b>	<b>92%</b>	<b>94%</b>	<b>96%</b>	<b>94%</b>		
US spring wheat	89%	79%	100%	98%	73%	NA	57%
<b>ID spring wheat</b>	<b>96%</b>	<b>95%</b>	<b>99%</b>	<b>99%</b>	<b>86%</b>		
US winter wheat	Headed 77%	67%	73%	81%	45%	45%	47%
<b>ID winter wheat</b>	<b>Headed 11%</b>	<b>2%</b>	<b>5%</b>	<b>13%</b>	<b>89%</b>	<b>93%</b>	
US Corn	93%	82%	94%	97%	70%	NA	63%