

**Idaho Grain Market Report, June 18, 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 17, 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) \$8.50 (6-R) \$9.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$6.25	(2-R) NQ (6-R) NQ	\$4.60	\$5.25	\$6.52
Idaho Falls	\$6.50	(2-R)\$7.81-\$8.00 (6-R)\$7.81	\$4.64	\$5.34	\$6.65
Blackfoot / Pocatello	\$6.65	(2-R) \$8.50 (6-R) \$9.00	\$4.70	\$4.93	\$6.61
Grace / Soda Springs	\$6.54	(2-R) NQ (6-R) NQ	\$4.52	\$5.20	\$6.50
Burley / Rupert Hazelton	\$5.75-\$6.50	(2-R) \$7.81 (6-R) \$7.81	\$4.45-\$4.50	\$5.04	\$6.37
Twin Falls / Eden / Buhl	\$6.50-\$6.85	(2-R) NQ (6-R) NQ	\$4.00-\$4.27	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.64	NQ	NQ
Nez Perce / Craigmont	\$5.63	(2-R) \$5.63 (6-R) \$5.63	\$5.21	\$5.93	\$7.32
Lewiston	\$6.08	(2-R) \$6.08 (6-R) \$6.08	\$5.40	\$6.12	\$7.51
Moscow / Genesee	\$5.68-\$7.00	(2-R) \$5.68 (6-R) \$5.68	\$5.17-\$5.80	\$5.89-\$6.63	\$7.28-\$7.88

**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	June \$5.78-\$5.90 Aug NC \$5.85-\$5.90	June \$6.48-\$6.63 Aug NC \$6.54-\$6.69	June \$7.86-\$7.96 Aug NC \$7.77-\$7.97
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.61	NQ	NQ	\$4.74	\$5.39	\$6.60
Great Falls	\$4.50-\$5.85	NQ	\$8.25	NQ	\$4.91-\$5.26	\$6.82-\$7.07
Minneapolis	\$5.73	NQ	\$9.69	NQ	\$6.61 ¾ (12%)	\$7.71 ¾

**Market trends this week**

**BARLEY** – Local barley prices were mostly higher, ranging from \$.03 lower to \$1.50 higher this week. USDA reported no barley export sales last week. Barley export shipments totaled .9 TMT for Canada, Japan and Mexico.

**Barley Competitor/Buyer News** - The Australian Bureau of Agricultural and Resource Economics (ABARE) is estimating the Australian 09/10 barley crop at 7.713 MMT, 15% above the 08/09 crop of 6.82 MMT.

**WHEAT** – Local wheat prices were lower this week: SWW ranged from 5 cents to 32 cents lower; HRW ranged from 6 to 29 cents lower; and DNS from 9 to 34 cents lower. U.S. wheat export sales were within trade expectations at 268.8 TMT. Wheat export shipments totaled 392.8 TMT.

**Wheat Competitor/Buyer News** – ABARE is estimating the Australian 09/10 wheat crop at 21.969 MMT, just slightly higher than last year's crop of 21.397 MMT. The Canadian Wheat Board is projecting wheat acres in the western prairies will be down at least 18% this year. Stats Canada will release their official wheat acreage estimate on June 23. The

Buenos Aires Grain Exchange has lowered its 2010 Argentine wheat planting estimate to 2.96 million hectares, from 3.2 million ha last week, and the lowest level on record. China is projecting their 2009 wheat crop at 122.5 MMT, compared to USDA's estimate last week of 113.5 MMT. Egypt passed on wheat tender offers this week, once again stating they had sufficient wheat stocks through the end of this year.

**CORN** - Corn export sales last week were above trade expectations at 767.3 TMT, which was 8% above the previous week; and 11% from the prior 4-week average. Export sales for MY 09/10 totaled 376.2 TMT. Corn export shipments last week totaled 817.9 TMT, up 31% from the previous week, and 9% from the prior 4-week average.

**Corn Competitor/Buyer News** – The Buenos Aires Grain Exchange lowered its 09 Argentine corn crop estimate to 12.5 MMT, compared to 12.7 MMT estimate last week. South Korea feed millers has resumed buying U.S. corn at a brisk pace, purchasing 275 TMT early this week.

#### Futures market activity this week

**US dollar...** commodities have been supported by the recent decline in the dollar index, which lost about 10% of its value from mid-April to the first week of June. This week the dollar saw a corrective bounce higher, mainly triggered by renewed concerns about worsening economic conditions in the euro zone. Dollar slipped lower on Wednesday under pressure from a lower than expected consumer price index (up only .1%) which eased short term inflationary concerns. This caused bonds to rally and interest rates to fall, making the dollar a less attractive investment. Longer-term, most analysts believe the dollar will turn lower again this summer; likely providing strength to crude oil and other commodities.

**Wheat** – Wheat futures began the week sharply lower, under pressure from commodity-wide sell-off sparked by weakness in outside markets (higher dollar and lower equities) and generally favorable growing conditions. Harvest pressures also were noted despite widespread weekend rains that continued to slow HRW harvest pace (9% completed vs. 19% on average). Wheat continued its slump on Tuesday despite opening higher as late session weakness was caused by a recovery in the dollar index and harvest pressures. Prices closed mixed to fractionally higher on Wednesday in a mostly directionless session. Outside markets did not provide much direction which allowed favorable weather and harvest hedge pressures to be the dominant features. Wheat finished lower today (Thursday) on mostly harvest pressures and a late move higher in the dollar index. **Wheat market closes on Thursday, 6/18/09...**

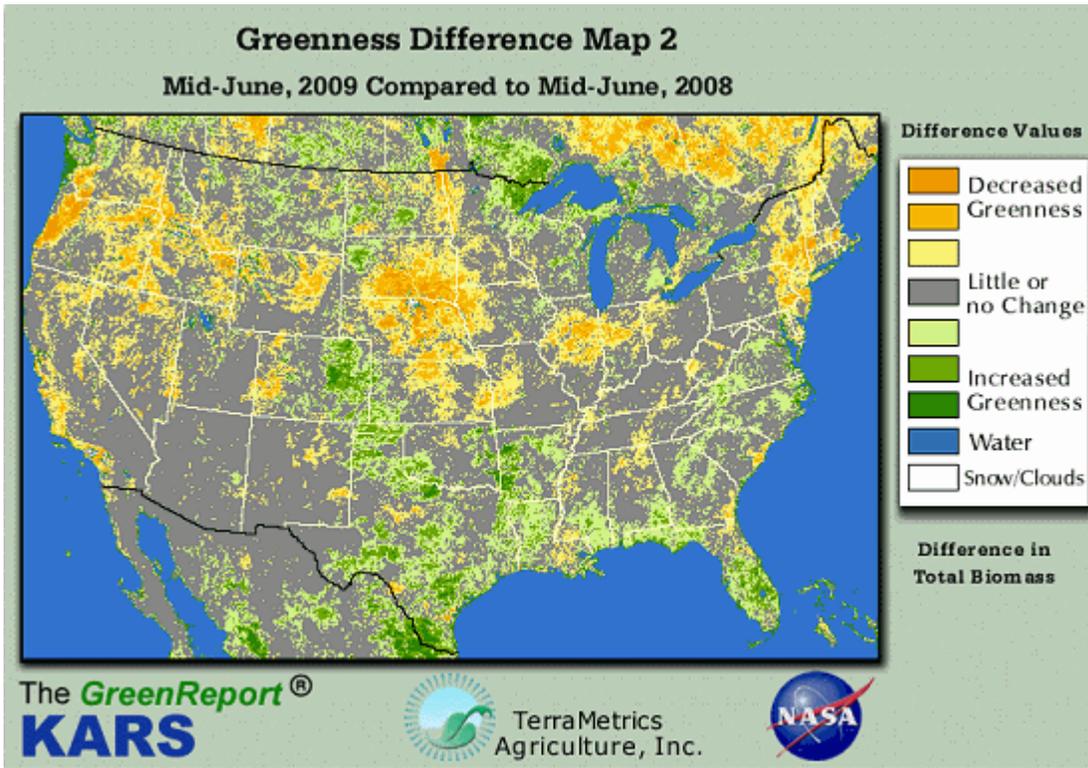
	<u>July 09</u>	<u>Weekly Summary</u>	<u>Sept 09</u>	<u>Weekly Summary</u>
Chicago	\$5.60 ¼	Down \$.24 ½	\$5.89 ¼	Down \$.24
Kansas City	\$6.19	Down \$.18	\$6.29 ½	Down \$.17 ¾
Minneapolis DNS	\$7.06 ½	Down \$.26	\$7.02 ¾	Down \$23 ½

**Corn** – Corn markets began the week in a slump, pummeled by a down-draft triggered by a higher dollar and lower crude oil. Corn opened higher in Tuesday's session but finished lower again on pressure from mostly favorable crop weather and crop condition rating (70% good/excellent). Corn prices close moderately higher on Wednesday with support from a late break in the dollar index and minor rally in equities. Underlying pressures are coming from generally favorable corn growing conditions and poor livestock margins which could reduce future demand. Corn finished lower today (Thursday) on beneficial crop weather. **July 09 corn contract closed on Thursday, 6/18/09, at \$4.03 ¼, down \$.03 for the week and the Sept 09 contract at \$4.11 ¾, down \$.04 for the week.**

#### Other Major Factors to Watch

- § **Crude Oil** – crude oil prices began the week lower, slipping to \$70/bbl on global economic concerns and a higher US dollar. Higher than expected gasoline stocks caused some early pressure on Wednesday but crude oil ended the session modestly higher. The weekly petroleum report was mostly **bullish**, showing crude oil inventories falling another 3.9 million bbls (down 5 out of last 6 weeks), compared to an expected draw of 1.8 million bbls; distillate stocks saw a build of .3 million bbls, compared to an expected build of .9 million bbls; while gasoline stocks rose by 3.4 million bbls, compared to an expected build of .5 million bbls, but still well below the five year average.
- § **U.S. weather / crop watch** – Wet weather continued to be prevalent across the Central U.S., slowing winter wheat harvest and final soybean planting. A wet forecast was issued for Kansas and Oklahoma for most of the week but drier conditions were expected to allow harvest to resume by Friday. The 6-10 day outlook shows drier and warmer conditions. Overall, growing conditions remain mostly favorable, although quality concerns are becoming an issue with the SRW wheat crop, with early harvest results showing lower than expected quality.
- § **International weather / crop watch –**
- § **Canada** – A warming trend is favoring spring grain crop development, after recent cold weather slowed crop growth. Dryness remains a concern for parts of Saskatchewan and Alberta.
- § **Europe** – showers continued to maintain abundant soil moisture for much of Europe's winter and spring grains, while the southern Balkans remained hot and dry.
- § **Russia / Ukraine** – Showers continued to favor crop development in Siberia, but the Volga region and southern Russia saw hot/dry conditions which are stressing winter grain filling. Showers in the western and northern regions of Ukraine continued to favor crop development, however hot/dry conditions was causing stress during winter grain filling in the south and east.
- § **China** – Hot/dry weather continued to aid winter grain harvesting in the North China Plains. Showers continued to provide favorable moisture for corn development in Manchuria.

- § **Middle East** – Showers continued to interrupt winter grain harvesting in Turkey.
- § **Argentina** – Dryness continues to dominate key wheat growing regions, resulting in unfavorable conditions for emerging winter grains. An updated forecast shows the possibility of showers in key growing regions by this weekend.
- § **Australia** – Widespread showers continued to benefit winter grain emergence and early-season crop development. Dryness remains a concern in parts of Western Australia, which produces 40% of that country's wheat and 35% of its barley.



**USDA Crop Progress / Condition Report, June 15, 2009**

Crop	%	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	93% emerged	79%	99%	98%	80%	74%	69%
<b>ID barley</b>	<b>99% emerged</b>	<b>97%</b>	<b>95%</b>	<b>96%</b>	<b>96%</b>	<b>94%</b>	
US spring wheat	93% emerged	84%	99%	99%	75%	73%	67%
<b>ID spring wheat</b>	<b>100% emerged</b>	<b>98%</b>	<b>100%</b>	<b>99%</b>	<b>94%</b>	<b>86%</b>	
US winter wheat	90% headed 9% harvested	84%	88%	93%	44%	44%	47%
<b>ID winter wheat</b>	<b>41% Headed</b> <b>0% harvested</b>	<b>25%</b>	<b>20%</b>	<b>47%</b>	<b>92%</b>	<b>94%</b>	
US Corn	95% emerged	87%	94%	98%	70%	69%	57%