

## Idaho Grain Market Report, October 15, 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, October 14, 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) \$5.50 (6-R) \$5.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.00	(2-R) NQ (6-R) NQ	\$4.35	\$4.35	\$5.70
Idaho Falls	NQ	(2-R) \$6.00-\$6.25 (6-R) \$6.00	NQ	NQ	NQ
Blackfoot / Pocatello	\$4.80	(2-R) \$5.50 (6-R) \$5.50	\$4.35	\$4.05	\$5.53
Grace / Soda Springs	\$5.00-\$5.01	(2-R) NQ (6-R) NQ	\$4.10	\$4.34-\$4.35	\$5.31-\$5.47
Burley / Rupert Hazelton	\$4.75-\$5.50	(2-R) \$6.00 (6-R) \$6.00	\$4.05	\$4.30	\$5.71
Twin Falls / Eden / Buhl	\$5.50-\$6.00	(2-R) NQ (6-R) NQ	\$3.60-\$3.65	NQ	NQ
Weiser	\$5.50	(2-R) NQ (6-R) NQ	\$3.74	NQ	NQ
Nez Perce / Craigmont	\$4.60	(2-R) \$4.60 (6-R) \$4.60	\$4.25	\$5.04	\$6.18
Lewiston	\$5.05	(2-R) \$5.05 (6-R) \$5.05	\$4.44	\$5.23	\$6.37
Moscow / Genesee	\$4.65-\$6.10	(2-R) \$4.65 (6-R) \$4.65	\$4.21-\$4.87	\$5.00-\$5.63	\$6.14-\$6.64

### 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	Oct \$4.70-\$4.90 Feb \$4.95-\$5.03	\$5.60-\$5.72	\$6.76-\$6.79
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	\$8.25	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.10	NQ	NQ	\$4.45	\$4.47	\$5.64
Great Falls	\$3.75-\$4.95	NQ	\$5.50	NQ	\$4.11-\$4.34	\$5.93-\$6.01
Minneapolis	\$4.37	NQ	NQ	NQ	\$5.16 ½ (12%)	\$5.91 ¼ - \$6.41 ¼

### Market trends this week

**BARLEY** – Local barley prices were mostly higher, ranging from 24 cents lower to 50 cents higher in southern Idaho this week and 14 to 40 cents higher in northern Idaho. USDA won't report weekly export sales until Friday due to Columbus Day holiday.

**WHEAT** – Local wheat prices were higher this week: SWW ranged from 2 to 38 cents higher; HRW ranged from 37 to 54 cents higher; and DNS ranged from 25 to 66 cents higher. USDA reported wheat export inspections last week totaled 17.8 million bu, down from the previous week's 22.3 million by and slightly below the weekly level needed to meet USDA's projection for the marketing year. U.S. wheat exports are running 35% behind last year's pace. USDA won't report export sales until tomorrow due to Monday's holiday.

**Wheat Competitor/Buyer News** – The Buenos Aires Grain Exchange lowered Argentina's 2009 wheat crop estimate this week to 7.5 MMT, down from 7.55 MMT last week. USDA announced that Iraq had purchased 200 TMT of U.S. wheat this week. Meanwhile, Saudi Arabia purchased 550 TMT, all from Canada, and Jordan purchased 100 TMT Black Sea origin wheat this week. Egypt purchased 180 TMT of French wheat and none from the U.S.

**CORN** – USDA reported corn export inspections last week totaled 20.5 million bu, down sharply from the previous week's 46.2 million by and below the weekly level needed to meet USDA's projection for the marketing year. However shipments are nearly 7% ahead of last year's pace. USDA won't report export sales until tomorrow due to Monday's holiday.

**Corn Competitor/Buyer News** – China cut its corn output estimate by 1.8% this week due to drought conditions earlier in the growing season.

#### Futures market activity this week

Equities screamed higher today in response to better than expected 3<sup>rd</sup> quarter earnings reports from Intel and JP Morgan, crossing the 10,000 threshold for the first time in a year (up 55% since March). Retail sales report also was slightly better than expected – falling 1.5% in September compared to economists projections of a 2.1% decline.

**WHEAT** – Wheat futures began the week sharply higher on fund buying triggered by a weaker dollar and spillover support from corn and soybeans which were boosted by recent frosts and poor harvest weather outlook. Wheat continued to post double-digit gains on Tuesday, buoyed by technical buying and dollar weakness. Prices closed mixed to modestly higher on Wednesday on support from the weak dollar, but gains were limited by profit-taking. Wheat finished lower today (Thursday), again on profit-taking and disappointment on a lack of follow through selling in the dollar. **Wheat market closes on Thursday, 10/15/09...**

	<u>Dec 09</u>	<u>Weekly Summary</u>	<u>Mar 2010</u>	<u>Weekly Summary</u>
Chicago	\$5.05	Up \$.37	\$5.23 <sup>3</sup> / <sub>4</sub>	Up \$.36 <sup>1</sup> / <sub>4</sub>
Kansas City	\$5.18	Up \$.33	\$5.33 <sup>1</sup> / <sub>4</sub>	Up \$.32 <sup>1</sup> / <sub>4</sub>
Minneapolis DNS	\$5.31 <sup>1</sup> / <sub>4</sub>	Up \$.27 <sup>1</sup> / <sub>4</sub>	\$5.46 <sup>1</sup> / <sub>2</sub>	Up \$.28

**CORN** – Corn prices staged a sharp advance on Monday, boosted by concerns about harvest delays and weekend freezing temperatures which halted the growing season for the most of the corn growing region west of the Mississippi River. Rain was in the forecast for the NW Corn Belt for Wednesday through Friday, followed by a 4-5 day dry spell. Support also came from a weak dollar and stronger crude oil. Prices retreated somewhat on Tuesday, trading sideways to fractionally higher on early profit-taking pressures and a lack of consistent cash and fund buying. Corn traded modestly higher again on Wednesday, with gains limited by profit-taking and harvest hedge pressures. Corn prices finished lower today (Thursday), again due to profit-taking and anticipation of good harvest weather for the coming week. **Dec 09 corn contract closed on Thursday, 10/15/09, at \$3.73, up \$.10 <sup>3</sup>/<sub>4</sub> for the week and the Mar 2010 contact at \$3.85, up \$.10 <sup>1</sup>/<sub>2</sub> for the week.**

#### Other Major Factors to Watch

- § **Crude Oil** – A slumping U.S. dollar index continued to boost crude oil, climbing back above \$74 early in the week, just shy of resistance level at \$75/bbl. Crude surged above \$75/bbl on Wednesday as the dollar hit a 14 month low and the Dow Jones crossed the 10,000 threshold for the first time in a year. Wednesday's inventory report was delayed by one day, showing crude stocks increasing by .4 million bbls, compared to an expected increase of 1.15 million bbls; distillate stocks fell by 1.1 million bbls, compared to an expected draw of 200,000 bbls; and gasoline stocks decreasing by 5.2 million bbls compared to an expected build of 1.0 million bbls.
- § **U.S. weather / crop watch** – Weekend freezing temperatures halted the growing season for the most of the corn production areas west of the Mississippi River while persistent rains continue to slow the U.S. harvest pace. Rain was back in the forecast for the NW Corn Belt for Wednesday through Friday, followed by a 5-6 day warmer period that should promote drying. The 6-10 and 8-14 day outlooks show a return to cooler and wetter conditions later next week. Wet conditions are delaying SRW wheat planting, while many HRW wheat areas continue to be missed by recent rain events- affecting about one-third of the winter wheat belt - including parts of western Kansas, central and southern Colorado and the Texas and Oklahoma panhandles.
- § **International weather / crop watch** –
  - § **Canada** – Western Canadian grain harvest is pegged at 87% completed, with little harvest activity occurring this week because of wet/cold conditions.
  - § **Europe** – Beneficial light to moderate rains covered northern Europe while parts of southern Europe also received additional rainfall with minimal corn harvest interruptions.
  - § **Russia / Ukraine** – Beneficial light to moderate showers in the Volga region and Southern District of Russia helped maintain favorable conditions for winter grains, while light rains did little to ease dryness concerns in central and southern parts of Ukraine which are experiencing poor soil moisture. Ideal weather has helped finish spring grain harvesting in the Siberia region.
  - § **Middle East** – Dry conditions prevailed in Turkey, allowing winter wheat planting to progress rapidly under very low soil moisture. Meanwhile, winter wheat planting is advancing in Iran under better than normal conditions.
  - § **China** – Mostly dry conditions favored winter wheat planting with adequate soil moisture except in the Shandong region which is suffering a long-term drought.
  - § **Argentina** – Showers in eastern wheat belt are helping to maintain favorable growing conditions while the western and central regions were mostly dry, allowing for corn planting to progress.

§ **Australia** – southeastern region continues to receive periodic showers which are helping to maintain winter grain conditions, but the moisture levels are beginning to deteriorate in Western Australia.

**USDA Crop Progress / Condition Report, October 13, 2009**

<b>Crop</b>	<b>Progress %</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 winter wheat	64% planted	53%	69%	69%			
<b>ID winter wheat</b>	<b>77% planted</b>	<b>63%</b>	<b>80%</b>	<b>76%</b>			
US Corn	74% mature 13% harvested	57%  10%	84%  20%	92%  35%	70%	70%	62%