

Idaho Grain Market Report, January 28, 2010

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 27, 2010. 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) \$6.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.00	\$4.01	\$5.25
Idaho Falls	\$5.75	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.10	\$4.00	\$5.19
Blackfoot / Pocatello	\$5.52	(2-R) \$6.50 (6-R) NQ	\$4.40	\$3.95	\$5.20
Grace / Soda Springs	\$5.75-\$5.85	(2-R) NQ (6-R) NQ	\$3.97	\$3.87-\$4.00	\$5.02-\$5.13
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$4.00-\$4.05	\$3.80	\$4.95
Twin Falls / Eden / Buhl	\$5.50-\$7.00	(2-R) NQ (6-R) NQ	\$4.10	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$3.89	NQ	NQ
Nez Perce / Craigmont	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.20	\$4.67	\$5.94
Lewiston	\$5.55	(2-R) \$5.55 (6-R) \$5.55	\$4.39	\$4.86	\$6.13
Moscow / Genesee	\$5.15-\$6.65	(2-R) \$5.15 (6-R) \$5.15	\$4.16-\$4.95	\$4.63-\$5.38	\$5.90-\$6.57

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	Jan \$4.70-\$4.90 Aug NC \$4.65-\$4.85	Jan \$5.33-\$5.38 Aug NC \$5.46-\$5.56	Jan \$6.35-\$6.58 Aug NC \$6.10-\$6.30
Los Angeles	\$8.35	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.35	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.93	NQ	NQ	\$4.17	\$4.07	\$5.24
Great Falls	\$5.00-\$5.50	NQ	\$6.50	NQ	\$3.55-\$3.76	\$5.20-\$5.67
Minneapolis	\$5.00	NQ	\$7.08	NQ	\$4.77 ³ / ₄ (12%)	\$7.34 ³ / ₄ - \$7.84 ³ / ₄

Market trends this week

BARLEY – Local barley prices were mixed, ranging from 15 cents lower to 15 cents higher in southern Idaho and unchanged in northern Idaho. USDA reported that barley export sales totaled .2 TMT for Taiwan but no export shipments were reported for last week.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from 7 cents lower to 50 cents higher; HRW ranged from 14 cents lower to 7 cents higher; and DNS ranged from 5 cents lower to 7 cents higher. U.S. wheat export sales last week were above trade expectations at 660.7 TMT, down 20% from the previous week but up 80% from the prior 4-week average. Export shipments last week totaled 424.8 TMT, up 34% from the previous week and up 48% from the prior 4-week average. Wheat export sales now total 78.9% of the USDA estimate for the marketing year compared to a five-year average pace of 80.4%.

Wheat Competitor/Buyer News – Turkey has issued a wheat export tender for more than 190 TMT. Egypt purchased 180 TMT of wheat this week, all reported to be Russian origin. **Pending international wheat import tenders...**Algeria for 50 TMT (possibly as much as 350 TMT), Iraq for 100 TMT, Jordan for 100 TMT and Bangladesh for 100 TMT.

CORN – Export sales were within trade expectations last week at 902.3 TMT, down 44% from the previous week but up 17% from the prior 4-week average. Export shipments last week totaled 531.8 TMT, down 36% from the previous week and down 33% from the prior 4-week average. Corn export sales now total 54.2% of the USDA estimate for the marketing year compared to a five-year average pace of 57.9%.

Corn Competitor/Buyer News – Buenos Aires Grain Exchange raised its Argentine corn production estimate this week to 18.4 MMT, up from their previous peg of 18.0 MMT based on favorable growing conditions. On Jan. 12 USDA pegged the Argentine corn crop at 15.0 MMT. Taiwan purchased 60 TMT of South American corn this week.

Futures market activity this week

WHEAT – Wheat began the week fractionally lower in see-saw action that was largely driven by late session fund selling and technical weakness that was reinforced by seasonal tendencies for commodities to break lower into February, which will make a near-by recovery more difficult. However, better than expected export inspections and a lower dollar provided support. Wheat continued to be weak on Tuesday on a lack of fresh supportive news which leaves traders focused on abundant global and U.S. supplies which are now pegged at the highest level in two decades. Wheat prices tumbled again on Wednesday, pressured by technical weakness and a general sell-off across commodities due to a late rally in the dollar and overall weakness in outside markets. Wheat finished modestly higher today (Thursday) in choppy trading, with gains attributed to light short covering before the weekend and a second consecutive week of strong export sales, which suggest that the recent price break is making U.S. wheat more competitive on world markets. **Wheat market closes on Thursday, 1/28/10.**

	Mar 2010	Weekly Summary	May 2010	Weekly Summary
Chicago	\$4.87	Down \$.11 ½	\$5.01	Down \$.11 ¼
Kansas City	\$4.94 ¾	Down \$.07 ¼	\$5.06 ¾	Down \$.07 ¼
Minneapolis DNS	\$5.08 ½	Down \$.04	\$5.19 ¾	Down \$.04 ¼

CORN – Corn began the week modestly higher, buoyed by a late burst of end user and fund buying. Modest support also came from higher crude oil which was supported by a lower dollar and higher equities. Gains were limited, however, by demand concerns that were reinforced by a weaker than expected corn export inspections report. Tuesday saw corn prices turn decidedly bearish again – closing to the lowest close since early October - on weak technical signals. Lower crude oil, concerns about abundant corn supplies, good crop conditions in Argentina and expectations of a big acreage jump in the U.S. this year also weighed on the market. Corn extended its losses on Wednesday – breaking below near-by technical support of \$3.60 – on a combination of fund selling and weakness in outside markets. Corn shrugged off a higher dollar and lower equities to finish modestly higher today (Thursday) with support coming from late session speculative short covering, end user buying and a second consecutive week of strong export sales. **Mar 2010 corn contract closed Thursday, 1/28/10, at \$3.61 ¾, down \$.03 for the week and the May 2010 contract closed at \$3.72 ¾, down \$.02 ¾ for the week.**

Other Major Factors to Watch -

- **Crude Oil** – Crude oil staged a modest recovery on Monday to just above \$75/bbl after losing almost 5% in value last week. Support came from higher equities and a lower dollar. Morgan Stanley released its updated price forecast showing crude oil climbing back to \$95/bbl by the end of this year, which means higher trending input costs but also underlying support for corn and soybean futures. Prices slipped about 50 cents on Tuesday under pressure from a higher dollar and renewed uncertainties about the pace of global economic recovery. A bearish inventory report and higher dollar continued to push prices lower on Wednesday, falling more than \$1/bbl to a 5-week low of \$73.67/bbl. Wednesday's weekly inventory showed another bullish decline in crude oil but bearish stock increases in both distillates and gasoline...crude oil stocks fell by 3.9 million bbls, compared to expected increase of 1.6 million bbls; distillates increased by 350,000 bbls, compared to an expected draw of 1.8 million bbls; while gasoline stocks continued to build – increasing by 2.0 million bbls, compared to an expected build of 900,000 bbls.
- **U.S. weather / crop watch** – Widespread rain and snowfall was expected in the Southern Plains this week, bringing favorable moisture to the dormant HRW wheat crop. Subzero temps were expected in southern Nebraska but most areas should have protective snow cover and winterkill is not considered a likely threat at this time.
- **International weather / crop watch** –
 - **Argentina / Brazil** – Hot temperatures swept across Argentine growing regions this week and were expected to reach nearly 100 F in central and northern growing regions by the weekend, potentially stressing about one third of the corn belt if rain isn't received in the next 6 days. The latest weather models show this intense heat will give way to cooler and wetter conditions starting next Tuesday. Right now the driest regions are limited to about 20% of the corn and 10% of soybeans, mainly in northern Cordoba, southern La Pampa and sections of central Buenos Aires. Meanwhile, both corn and soybean crop conditions remain favorable for both corn and soybeans in Brazil.
 - **Europe, Russia and Ukraine** – moderately heavy snow pack continues to protect dormant winter grains from bitter cold temps across this region, while Spain continues to receive beneficial moisture that is boosting irrigation supplies.