

Idaho Grain Market Report, April 9, 2010

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 7, 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	\$6.00	(2-R) NQ (6-R) NQ	\$4.10	\$3.96	\$5.72
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.20	\$3.99	\$5.83
Blackfoot / Pocatello	\$5.93	(2-R) \$6.50 (6-R) NQ	\$4.05	\$3.85	\$5.64
Grace / Soda Springs	\$5.85	(2-R) NQ (6-R) NQ	\$3.91	\$3.84	\$5.58
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.85-\$4.80	\$3.97	\$5.63
Twin Falls / Eden / Buhl	\$5.70-\$6.50	(2-R) NQ (6-R) NQ	\$3.40-\$3.90	NQ	NQ
Weiser	\$5.85	(2-R) NQ (6-R) NQ	\$3.74	NQ	NQ
Nez Perce / Craigmont	\$4.85	(2-R) \$4.85 (6-R) \$4.85	\$4.05	\$4.65	\$6.38
Lewiston	\$5.30	(2-R) \$5.30 (6-R) \$5.30	\$4.24	\$4.61	\$6.34
Moscow / Genesee	\$4.90-\$6.25	(2-R) \$4.90 (6-R) \$4.90	\$4.01-\$4.75	\$4.61-\$5.36	\$6.34-\$7.12

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 \$4.65-\$4.75 Aug NC \$4.70-\$4.75	Apr \$5.26-\$5.36 Aug NC \$5.33-\$5.36	Apr \$6.84-\$7.14 Aug NC \$6.26-\$6.32
Los Angeles	\$7.90-8.05	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$7.90-8.05	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.93	NQ	NQ	\$4.17	\$4.02	\$5.72
Great Falls	\$4.85-\$5.00	NQ	\$6.00	NQ	\$3.50-\$3.56	\$5.47-\$5.82
Minneapolis	\$4.37	NQ	NQ	NQ	\$4.68 ¾-\$4.83 ¾ (12%)	\$6.62-\$6.92

Market trends this week

BARLEY –Local barley prices were mostly steady in southern and northern Idaho. USDA reported no barley export sales for last week, while barley export shipments totaled 1.1 TMT to Canada.

USDA's S&D Report for MY 2010 - BARLEY – April 9 – USDA made only a couple minor adjustments to this month's U.S. barley balance sheet – they cut domestic food (malting) usage by 5 million bu to 165 million bu and raised ending stocks by an equal amount to 116 million bu. They also tweaked the farm-gate barley price projection to \$4.50-\$4.60/bu.

WHEAT – Local wheat prices were mostly higher this week: SWW ranged from 5 cents lower to 20 cents higher; HRW prices ranged from 6 to 31 cents higher; and DNS ranged from 6 to 91 cents higher. U.S. wheat export sales last week were well above trade expectations at 533.4 TMT – 323.7 TMT in the current marketing year which was down 25% from the previous week and 16% from the prior 4-week average. Export sales for MY 10/11 totaled 209.7 TMT. Wheat export shipments totaled 450.3 TMT, down 35% from the previous week and 7% from the prior 4-week average.

USDA's S&D Report for MY 2010 - WHEAT – April 9 – USDA provided a somewhat bullish surprise to the market with an increase in usage and lower ending stocks – they increased feed usage by 1 million bu to 73 million bu, raised domestic feed usage by 10 million bu to 180 million bu and raised exports by 40 million bu to 865 million bu, resulting in a 60 million cut in ending stocks to 950 million bu. **This was below the average pre-report trade estimate of 1.001 billion bu, the same as last month's projection.** USDA also tightened their farm-gate price projection for wheat to \$4.85-\$4.95/bu. **World wheat production was increased again this month by .6 MMT to 678.0 MMT, due to a higher output for Argentina, but still 4.6 MMT below last year. World wheat ending stocks were increased about 1 MMT this month to 196.8 MMT, which is more than 33 MMT more than the year before.**

Wheat Competitor/Buyer News – USDA make a few adjustments in competitor export projections this month – they raised EU wheat exports by 1.0 MMT to 20.0 MMT, lowered Australian exports by .5 MMT to 14.5 MMT; lowered Canadian exports by .5 MMT to 18.0 MMT and lowered Russian exports by .5 MMT to 17.5 MMT. Pakistan announced they would export up to 2 MMT of wheat this year. Iraq purchased a total of 500 TMT – 300 TMT from Russia, 150 TMT from Canada and 50 TMT from the U.S. South Korea is reportedly in talks to purchase 300 TMT of wheat from Kazakhstan. Kazakhstan also reportedly sold 20 TMT of wheat to China. **International wheat import tenders...**Saudi Arabia for 550 TMT, Tunisia 92 TMT, Jordan 100 TMT, Bangladesh 100 TMT.

CORN – U.S. corn export sales were well above trade expectations last week at 1.357 MMT, up 64% from the previous week. Corn export shipments last week totaled 875.4 TMT, down 28% from the previous week and 19% from the prior 4-week average.

USDA's S&D Report for MY 2010 - CORN – April 9 – As expected, USDA lowered usage and raised ending stocks this month but not by as much as the trade had expected – they cut domestic feed usage (a catch-all category) by 100 million bu to 5.45 billion bu and raised ending stocks to 1.899 billion bu., **which was below the average pre-report trade estimate of 1.922 billion bu.** USDA tightened their farm-gate price projection for corn to \$3.50-\$3.70/bu. **World corn production was increased this month by 2 MMT to 805.7 MMT, which is nearly 11 MMT above last year. World corn ending stocks also were increased by 4 MMT this month to 144.2 MMT, but is down 3 MMT from a year ago.**

Corn Competitor/Buyer News – USDA raised Brazilian corn production by 2.5 MMT this month to 53.5 MMT. Brazilian sources raised their corn crop estimate this week to 54.1 MMT, up sharply from their previous forecast of 51.4 MMT. Mexico purchased 114 TMT and South Korea 47 TMT of U.S. corn this week

Futures market activity this week

WHEAT – Wheat began the week drifting in both directions, but settled mixed to fractionally lower on Monday with some support from a lower dollar. Wheat shrugged off a stronger dollar and exceptionally strong winter wheat crop condition report (65% good/excellent compared to 43% last year) to rally sharply higher on both Tuesday and Wednesday in mostly technical short covering. Wheat retreated lower on Thursday under profit-taking pressure, a generally weak tone across the commodity complex and a stronger dollar. **Wheat market closes on Thursday, 4/8/10 ...**

	May 2010	Weekly Summary	July 2010	Weekly Summary
Chicago	\$4.69 ¼	Up \$.14 ½	\$4.82 ½	Up \$.14
Kansas City	\$4.85 ½	Up \$.15 ½	\$4.96 ¼	Up \$.14 ½
Minneapolis DNS	\$5.03 ¾	Up \$.14 ¾	\$5.15	Up \$.15

CORN – Corn began the week modestly higher with support from short covering triggered by higher crude oil prices which topped \$86/bbl and an unsettled weather outlook which showed another storm system moving across the Midwest. Prices drifted on both sides of unchanged on Tuesday but settled fractionally higher in short covering in response to the wheat rally. Corn staged a double-digit rally on Wednesday fueled by short covering and rumors that applications were being filed in China to import corn for the first time in more than four years to meet expanding livestock feed demand. Gains could not be sustained, however, as prices retreated lower on Thursday on profit-taking and positioning ahead of Friday's monthly S&D report. Chinese corn import rumors were also discounted as China announced it would release at least 1 MMT in domestic corn reserves to help lower Chinese corn prices. **May 2010 corn contract closed Thursday, 4/8/10, at \$3.48 ¼, up \$.03¾ for the week and the July 2010 contact closed at \$3.59 ½, up \$.03½ for the week.**

Other Major Factors to Watch -

- **Crude Oil** – Crude oil prices chopped around in the \$85-\$86/bbl range this week with continuing support from positive economic news. Wednesday's petroleum stocks report was a mixed bag but mostly bearish...crude stocks increased 1.976 million bbls, compared to an expected increase of 1.35 million bbls; distillates showed an increase of 1.074 million bbls, compared to an expected draw of 1.125 million bbls; and gasoline stocks showed a bullish decline of 2.498 million bbls, compared to an expected draw of 1.0 million bbls. Crude closed at \$84.87/bbl on Thursday, boosted by a lower dollar and economic optimism.
- **U.S. weather** – Unsettled weather re-entered the picture this week, with storms moving across the upper Midwest starting Tuesday and moving into the Eastern CB by Thursday, bringing the heaviest precipitation to the Great Lakes region and parts of Missouri and Kansas. Cold temperatures swept through parts of the Southwestern Plains mid week, potentially causing some crop damage to the most advanced HRW crops. Spring field work is progressing with limited interruptions, but worries linger about planting delays in North Dakota. The 6-10 and 8-14 day outlook shows

normal to above normal temps and above normal precipitation, especially in the western edge.

▪ **International weather / crop watch –**

- **Canada** – Southern Manitoba saw some rainfall last weekend but most areas of the Western Prairies continue to see moisture deficits ahead of spring planting. Another storm system could bring beneficial moisture next week, but there is disagreement between various weather models.
- **Europe** – More rain continued to boost soil moisture across Central and Northern Europe, while localized heavy rainfall caused spring planting delays in Britain and France.
- **Former Soviet Union** – Above normal temps have melted most the snowpack across the Ukraine and southern Russia, but cool temps maintain unseasonably deep snow pack in much of eastern and northern Russia.
- **Middle East** – Showers favored flowering winter grains throughout the region.
- **Northern Africa** – Warm temps reduced topsoil moisture but subsoil moisture remained mostly favorable for reproductive winter grains.
- **China** – Light rains maintained favorable prospects for winter grains across the North China Plains.
- **Argentina / Brazil** – Argentina saw weekend showers which caused some limited harvest delays in Cordoba, Santa Fe and Entre Rios. Weather remains generally favorable for corn harvest across both Brazil and Argentina.