

## Idaho Grain Market Report, July 9, 2010

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

**Check out our NEW IDAHO GRAIN MARKET ALERT** – this is a new companion grain market service being sponsored by the Idaho Barley Commission and provided by Craig Corbett, grain producer and market analyst from Grace, ID. We want to hear from readers with your questions and comments – please contact us at [kolson@idahobarley.org](mailto:kolson@idahobarley.org).

**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 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	\$4.16	\$5.28
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.23	\$4.07	\$5.39
Blackfoot / Pocatello	\$5.62	(2-R) \$6.50 (6-R) NQ	\$3.85	\$3.64	\$5.00
Grace / Soda Springs	\$6.10	(2-R) NQ (6-R) NQ	\$4.20	\$4.03	\$5.24
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.80-\$4.00	\$4.08	\$5.14
Twin Falls / Eden / Buhl	\$5.90	(2-R) NQ (6-R) NQ	\$3.60	NQ	NQ
Weiser	\$5.70	(2-R) NQ (6-R) NQ	\$3.79	NQ	NQ
Nez Perce / Craigmont	\$4.85	(2-R) \$4.85 (6-R) \$4.85	\$4.09	\$4.84	\$5.95
Lewiston	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.28	\$5.03	\$6.14
Moscow / Genesee	\$4.90-\$6.00	(2-R) \$4.90 (6-R) \$4.90	\$4.05-\$4.80	\$4.80-\$5.62	\$5.91-\$6.68

**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	July \$4.70-\$4.75 Aug NC \$4.70-\$4.80	July \$5.41 Aug NC \$5.43-\$5.51	July \$6.57-\$6.70 Aug NC \$6.47-\$6.69
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.85	NQ	NQ	\$4.35	\$4.16	\$5.32
Great Falls	\$4.50-\$4.85	NQ	\$6.00	NQ	\$3.62-\$4.11	\$5.69-\$6.03
Minneapolis	\$4.27	NQ	NQ	NQ	\$4.99 ½ (12%)	\$6.31 ½ - \$6.61 ½

**Market trends this week**

**BARLEY** – Local barley prices were mostly higher this week ranging from steady to 25 cents higher in southern Idaho and remaining steady in northern Idaho. USDA reported that there were no barley export sales last week. However barley export shipments hit a marketing year high at 1.6 TMT for Canada and Mexico.

**USDA's S&D report for MY 2011 - BARLEY – July 9**

- World barley production is down 9% to 135.5 MMT. US production was 20% lower at 4 MMT.
- World barley supplies decreased 5% to 171.5 MMT, due to larger carry-in, while US supplies are projected to be 6% lower at 6.5 MMT.

- World barley trade is expected to fall by 2% to 16.5 MMT. US exports are projected to increase by 33% to .2 MMT, due to less competition out of the Black Sea region.
- World barley consumption is projected to increase 1% to 144.5 MMT, while US usage is expected to also increase by 1% to 4.7 MMT.
- World barley carryover stocks are estimated to decrease by 25% to 30 MMT, while US carryout is projected to decrease by 24% to 1.9 MMT.

**WHEAT** – Local wheat prices were higher this week: SWW ranged from 10 to 25 cents higher; HRW ranged from 18 to 52 cents higher; and DNS ranged from 20 to 51 cents higher. U.S. wheat export sales last week totaled 513.6 TMT, while export shipments last week totaled 557.6 TMT.

**USDA's S&D report for MY 2011 - WHEAT – July 9**

- World wheat production decreased 3% to 661 MMT, while the US wheat crop declined just slightly to 60.3 MMT.
- World wheat supplies increased 1% to 854 MMT, and US supplies are up 11% to 86.8 MMT.
- World wheat trade is expected to increase 1% to 130.6 MMT, due to smaller supplies of feed wheat. U.S. exports are estimated to increase 14% to 27 MMT, due to increased competition from Canada, Australia and the Black Sea region.
- World wheat consumption is projected increase by 2% to 667 MMT, and U.S. consumption is expected to increase by 4% to 32.5 MMT.
- World wheat carryover stocks are estimated to decrease by 3% to 187 MMT. US stocks are pegged to increase 12% to 29.8 MMT.

**CORN** – U.S. corn export sales came in at 501.2 TMT for Marketing Year 2009/10 and 324.8 TMT for Marketing Year 2010/11. Corn export shipments last week totaled 1.03 MMT, up 8% from the previous week and 10% from the prior 4-week average.

**USDA's S&D report for MY 2011 - CORN – July 9**

- World corn production is pegged to increase by 3% to 832.4 MMT. The US corn is projected up by 1% to 336.4 MMT.
- World corn supplies are projected to increase by 2% to 972 MMT, while US supplies are expected to decrease just slightly to 374 MMT.
- World corn trade is projected to increase 4% to 89.7 MMT, due to decreased availability of feed wheat and growth in foreign feeding demand. US corn exports are expected to increase 1% to 49.5 MMT.
- World corn consumption is estimated to increase 2% to 831 MMT and is expected to exceed production. US usage is estimated to slightly increase to 290 MMT on steady growth in ethanol use.
- World corn carryover stocks are estimated to increase by 1% to 141 MMT, while US stocks are expected to decrease by 7% to 35 MMT.

**Futures market activity this week**

**WHEAT** – Wheat prices began the week higher on Tuesday with production concerns in Europe and parts of the former Soviet Union, a weaker U.S. dollar also added support. Wheat prices continued their climb higher on Wednesday with December contracts at its highest level since March 4<sup>th</sup>. Continued production concerns were the main contributing factor for the gains. Wheat prices continued with the recent rising trend and finished higher today (Thursday) again with production concerns being the driving factor, news that Canada was having diminished crop projections added more support. **Wheat market closes on Thursday, 7/08/10...**

	<b>July 2010</b>	<b>Weekly Summary</b>	<b>Sept 2010</b>	<b>Weekly Summary</b>
Chicago	\$5.34	Up \$.46 ¼	\$5.48 ½	Up \$.45 ½
Kansas City	\$5.54	Up \$.46 ¾	\$5.62	Up \$.46
Minneapolis DNS	\$5.63 ¼	Up \$.41	\$5.74 ¼	Up \$.43 ¼

**CORN** – Corn began the week lower on Tuesday with long liquidations attributed to speculative selling and a lack of fresh bullish news. Lower crude oil also added to the negative tone. Corn prices recovered on Wednesday with higher prices being attributed to rallies in crude oil and equities and support could also be found from a weaker U.S. dollar. Corn continued the upward trend again today (Thursday) closing higher on recent purchase news from China, unease over wetness in the western Corn Belt and crop concerns in Russia and China all helped to push the market higher. **July 2010 corn contract closed Thursday, 7/08/10, at \$3.77 ½, up \$.13 ½ for the week and the Sept 2010 contact closed at \$3.85 ½, up \$.13 for the week.**

**OTHER MAJOR FACTORS TO WATCH -**

- **Crude Oil** – Crude oil spent the week mostly higher from strength seen in other equity markets and some technical support. A bullish inventory report on Thursday and a bullish job report were also supportive. Crude oil stocks fell by 5 million bbls, which was less than pre-report expectations. Distillate stocks increased by .3 million bbls and gasoline

stocks rose by 1.3 million bbls.

- **U.S. weather / crop watch** – Rains in the Midwest were limited earlier in the week; however the 6-10 day forecast is expecting rain, which will be beneficial to pollinating corn. Warmer and drier weather is expected for most areas after that, which shouldn't be a concern.
- **International weather / crop watch** –
  - **Canada** – Lighter showers are expected again this week which will prevent most areas from seeing considerable drying, with Manitoba and northern and eastern Saskatchewan having the highest rain potential. The western third of the belt may see dryer possibilities in the next 6 to 15 day period.
  - **Europe** – Eastern Europe continues to see too much rain, while more heavy rain is expected over the next week.
  - **Former Soviet Union** – Drought is continuing, with one of the worst growing seasons in more than a decade. About half of the spring wheat belt has received less than 50% of normal rainfall. Heat and occasional dry winds are expected, with a few marginal rains.
  - **Middle East** – Showers are expected to continue through next week.
  - **China** – Isolated showers across most crop regions and coverage expected to be around 50% of the belt. Up to 25% of the North China Plain could still have moisture shortages.
  - **Argentina / Brazil** – Argentina has seen more showers in the past couple days, however dryer weather is forecasted through the next week.
  - **Australia** – Areas of Western Australia have been hindered by an ongoing lack of rain. A cold front and possible showers are expected to be approaching these dry areas, which could be beneficial to up to 60% of the region.

**USDA Crop Progress / Condition Report, July 6, 2010**

Crop	Stage	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	headed %	17%	24%	52%	85%	85%	77%
<b>ID barley</b>	<b>headed 38%</b>	<b>19%</b>	<b>36%</b>	<b>44%</b>	<b>97%</b>	<b>96%</b>	
US spring wheat	headed 52%	29%	28%	34%	84%	84%	72%
<b>ID spring Wheat</b>	<b>headed 25%</b>	<b>12%</b>	<b>38%</b>	<b>57%</b>	<b>97%</b>	<b>97%</b>	
US winter wheat	headed 96%	91%	98%	98%	63%	64%	47%
	harvested 54%	38%	50%	53%			
<b>ID winter wheat</b>	<b>harvested NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>91%</b>	<b>90%</b>	
US Corn	silking 19%	7%	8%	12%	71%	73%	71%