

# Idaho Grain Market Report, September 30, 2010

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, September 29, 2010. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	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) \$7.00 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$7.25	(2-R) \$7.00-\$7.50 (6-R) \$7.00	\$5.50	\$5.67	\$7.19
Blackfoot / Pocatello	\$6.67	(2-R) \$7.00 (6-R) NQ	\$5.65	\$5.56	\$7.01
Grace / Soda Springs	\$6.70-\$6.75	(2-R) NQ (6-R) NQ	\$5.40	\$5.52-\$5.60	\$6.82-\$6.84
Burley / Rupert Hazelton	\$6.75	(2-R) \$7.00 (6-R) \$7.00	\$5.50-\$5.64	\$5.52	\$6.90
Twin Falls / Eden / Buhl	\$7.50	(2-R) NQ (6-R) NQ	\$5.45	NQ	NQ
Weiser	\$7.25	(2-R) NQ (6-R) NQ	\$5.00	NQ	NQ
Nez Perce / Craigmont	\$6.60	(2-R) \$6.60 (6-R) \$6.60	\$5.49	\$6.36	\$7.78
Lewiston	\$6.85	(2-R) \$6.85 (6-R) \$6.85	\$5.68	\$6.55	\$7.97
Moscow / Genesee	\$6.65-\$8.00	(2-R) \$6.65 (6-R) \$6.65	\$5.45-\$6.15	\$6.32-\$6.92	\$7.74-\$8.20

### 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 \$6.05-\$6.30	NQ	NQ
Los Angeles	\$10.60	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.60	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.85	NQ	NQ	\$5.85	\$5.78	\$7.00
Great Falls	\$6.25-\$7.00	NQ	\$7.25	NQ	\$4.52-\$4.94	\$6.61-\$7.21
Minneapolis	\$6.46	NQ	\$8.85	NQ	\$6.44 (12%)	\$7.74-\$7.84

### Market trends this week

**BARLEY** – Local barley prices were mixed this week ranging from no change to 25 cents higher in southern Idaho and from no change to 25 cents lower in northern Idaho. USDA reported barley export sales at 1.4 TMT for Japan last week. Barley shipments totaled 9.1 TMT, also for Japan.

**US BARLEY Final 2010 Production Estimate (USDA, Sept. 30)** – USDA pegged the final barley production estimate at 182 million bu, down 1% from their August estimate and down 20% from last year. The national average barley yield was pegged at a record high of 73.6 bpa, while acreage was pegged at a record low of 2.47 million and down 21% from last year. Idaho barley production was pegged at 43.71 million bu, down 10% from last year. Idaho's average statewide barley yield was pegged at 93 bpa, just short of last year's record. USDA NASS revised Idaho barley acreage down 10,000 acres from their August estimate to 470,000 harvested acres, down 8% from last year.

**US BARLEY Quarterly Stocks Report (USDA, Sept. 30)** – USDA pegged U.S. barley stocks on Sept. 1 at 225 million bu, down 6% from a year ago. The June - August 2010 indicated disappearance is 72.4 million bu, down 4% from the same period a year ago. Idaho barley stocks on Sept. 1 are pegged at 48.65 million bu, slightly below a year ago.

**WHEAT** – Local wheat prices were lower this week: SWW ranged from 10 to 69 cents lower; HRW ranged from 27 to 69 cents lower; and DNS ranged from 23 to 40 cents lower. U.S. wheat export sales last week for MY 2010/11 were below trade expectations at a net 6287.3 TMT, down 34% from the previous week and 26% from the prior 4-week average. Export shipments last week totaled 785.5 TMT, down 15% from the previous week however it was up 3% from the previous 4-week average. Cumulative wheat export sales now total 50.3% of the USDA forecast for MY 2010/11, compared to a five-year average of 53.8%.

**US WHEAT Final 2010 Production Estimate (USDA, Sept. 30)** – USDA pegged the U.S. all wheat production at **2.224 billion bu, down 2% from their August estimate but up slightly from 2009. This is 37 million bu below the average pre-report trade estimate of 2.261 billion bu.** Winter wheat production was pegged at 1.49 billion bu, down 3%; other spring wheat was 627 million bu, up 7%; and durum wheat production was 111 million bu, up 2%. Total wheat harvested area was pegged at 47.7 million, down 4% from last year, and average yields were a new record high of 46.7 bpa. Idaho wheat production was pegged at 108.1 million bu, up 9% from last year. Idaho harvested area was pegged at 1.345 million acres, up 8% from last year. Idaho's average statewide wheat yield was pegged at 80.4 bpa

**US WHEAT Quarterly Stocks Report (USDA, Sept. 30)** – USDA pegged U.S. wheat stocks on Sept. 1 at **2.459 billion bu, up 11% from a year ago. This is 36 million bu above the average pre-report trade estimate of 2.423 billion bu.** The June - August 2010 indicated disappearance is 740 million bu, up 12% from the same period a year ago. Idaho wheat stocks on Sept. 1 are pegged at 91.05 million bu, up 17% from a year ago.

**Wheat Competitor/Buyer News** – EU issued wheat export licenses for 1.03 MMT of wheat this week, bringing their cumulative marketing year wheat export licenses to 6.35 MMT, up more than 35% from the same period last year. Egypt purchased 110 TMT of US soft white wheat this week, as well as 120 TMT French soft wheat.

**CORN** – U.S. corn export sales last week were above trade expectations at 926 TMT, up 65% from the previous week. Weekly export shipments totaled 941.8 TMT which was down 5% from the previous week. Cumulative corn export sales now total 32.7% of the USDA forecast for MY 2010/11, compared to a five-year average of 28.7%.

**US CORN Quarterly Stocks Report (USDA, Sept. 30)** – USDA pegged U.S. corn stocks on Sept. 1 at **1.708 billion bu, up 2% from a year ago. This is 296 million bu above the average pre-report trade estimate of 1.412 billion bu.** The June-August 2010 indicated disappearance is 2.60 billion bu, up slightly from the same period a year ago. .

**Corn Competitor/Buyer News** – Rumors this week that Russia may need to import as much as 300-500 TMT of corn this year to meet domestic shortfalls.

#### Futures market activity this week

**WHEAT** – Wheat began the week lower after trading higher overnight, with pressure from favorable winter wheat outlook (albeit some key U,S, areas continue to see moisture deficits), disappointing weekly export shipments and lower European wheat futures. Wheat continued to be pounded on Tuesday, falling sharply in the face of significant fund liquidations ahead of end of fiscal quarter and Thursday's key USDA reports. Wheat finished mixed to fractionally lower on Wednesday as early losses from continued heavy fund selling were trimmed late into the session by short covering and spillover support from corn. Wheat opened the session sharply lower today (Thursday) on end of fiscal quarter profit-taking and mixed production/stocks reports, but managed to erase about 2/3 of the early losses by the end of the session. **Wheat futures market closes on Thursday, 9/30/10...**

	<b>Dec 2010</b>	<b>Weekly Summary</b>	<b>Mar 2011</b>	<b>Weekly Summary</b>
Chicago	<b>\$6.74</b>	<b>Down \$.46</b>	<b>\$7.07</b>	<b>Down \$.42 ½</b>
Kansas City	<b>\$7.07 ¾</b>	<b>Down \$.49 ¾</b>	<b>\$7.22 ¼</b>	<b>Down \$.48 ¾</b>
Minneapolis DNS	<b>\$7.21</b>	<b>Down \$.41 ½</b>	<b>\$7.35 ¾</b>	<b>Down \$.37 ¾</b>

**CORN** – Corn began the week moderately lower after posting new highs overnight, with pressure from a combination of heavy fund selling and increased farmer selling. Another week of average weekly export shipments also provided underlying pressure as some analysts are concerned that the recent price gains were slowing demand. Corn continued to slide lower on Tuesday on technical selling and profit-taking ahead of Thursday's quarterly stocks reports. Some analysts are bracing for a bearish surprise from USDA on carryover stocks from the recently completed MY 2009/10. Corn overcame overnight weakness to stage a modest recovery mid session Wednesday on end user buying and technical support (key level of support held). Corn markets took an early pummeling today (Thursday) from a bearish quarterly stocks report from USDA which pegged corn stocks at 1.708 billion bu and 296 million bu above the average trade estimate, but the market managed to stage a gradual recovery into the close. **Dec 2010 corn futures contract closed Thursday, 9/30/10, at \$4.95 ¾, down \$.26 for the week and the Mar 2011 contact closed at \$5.08 ¼, down \$.26 for the week.**

#### **OTHER MAJOR FACTORS TO WATCH –**

- **CRUDE OIL** – Crude oil saw mostly upward price momentum this week...opening the week up just slightly at \$76.52 on support from a lower dollar, but then sliding \$.34 to close at \$76.18 on Tuesday. Crude prices were boosted higher on Wednesday, closing up \$1.86 to \$77.86/bbl, on unexpected decline in weekly gasoline inventories and a bigger than expected increase in Chinese manufacturing activity. Crude oil continued to gain ground on Thursday, buoyed

by a weaker dollar and better than expected weekly jobless claims and quarterly U.S. GDP which was revised upward to +1.7% from the August estimate of 1.6%. Wednesday's weekly petroleum inventory report was unexpectedly bullish...showing crude oil inventories fell 475,000 bbls, compared to an expected decline of 700,000 bbls; distillate stocks fell 1.27 million bbls, compared to an expected build of 325,000 bbls; while gasoline stocks fell an unexpected 3.47 million bbls, compared to an expected increase of 350,000 bbls.

- **U.S. WEATHER / CROP WATCH** – Last weekend saw scattered showers across western areas of the Corn Belt, but excessive moisture was not a problem except in areas of southern Minnesota and central Wisconsin which saw heavy flooding. Areas of the eastern Ohio River Valley were expected to see some showers mid week as part of a major tropical storm moving up the east coast. This moisture could slow corn harvest but would be beneficial in improving top soil moisture levels for soft red winter wheat crop particularly in Ohio which is the largest SRW producer. Other SRW areas continue to see moisture deficits. The western edge of the Central Plains remains very dry with some reports that hard red winter wheat stands are struggling to get established. The areas of greatest concern include northern Colorado, western Nebraska, patchy sections of western Kansas and northeastern Texas Panhandle, accounting for as much as 15% of total HRW acreage. Not much if any relief is forecast in the 16 to 30 day outlook. **The 6-10 and 8-14 day outlooks show below average precipitation and normal to above normal temps across most of the Midwest.**
- **International weather / crop watch** –
  - **Canada** – Prairies were mostly dry this week, trying to dry out and accelerate grain harvest ahead of more showers expected next week.
  - **Europe** – Ongoing rain is now hindering winter grain planting in Germany, Poland and Hungary.
  - **Former Soviet Union** – Light showers continued to move across the northwest and north-central regions early this week, pushing into the central belt by Thursday and could reach drier areas of the southeast by Friday. **Right now it is estimated that about 25% of the FSU remains too dry to plant, but that area could be reduced to 5% as a result of this latest round of showers.**
  - **China** – Dry weather favors corn harvesting in the North China Plains, while the northeastern region was expected to see some rain and possibly even snow next week as colder weather returns. **Only about half of the corn harvest is complete in this region and could see more delays.**
  - **Argentina / Brazil** – Western grain areas saw light slower early in the week with chances for more rainfall over the next week. Rain across southern Brazil is hampering winter wheat harvest but providing beneficial moisture for corn and soybean crops.
  - **Australia** – **Continues to be a mixed picture...**Western Australia remains unseasonably dry which is leading many analysts to cut projected yields by as much as half, while the northeastern growing regions are continuing to see heavy rainfall, in some cases too much, causing lower protein and other crop quality concerns.

**USDA Crop Progress / Condition Report, Sept. 27, 2010**

Crop	Stage	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	Harvested 91%	88%	94%	98%			
ID barley	<b>Harvested 91%</b>	<b>84%</b>	<b>95%</b>	<b>97%</b>			
US spring wheat	Harvested 89%	87%	93%	98%			
<b>ID spring Wheat</b>	<b>Harvested 94%</b>	<b>85%</b>	<b>97%</b>	<b>99%</b>			
US winter wheat	Planted 33%	20%	36%	38%			
<b>ID winter wheat</b>	<b>Planted 35%</b>	<b>22%</b>	<b>46%</b>	<b>42%</b>			
US corn	Mature 85%	69%	35%	65%	66%	68%	68%
	Harvested 27%	18%	6%	15%			

**Check out the IBC webinar on World Grain Market Outlook & 2011 Malt Contract Pricing Strategies held on Sept. 14, 2010. You will find the link to the webcast at....**

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