

# Idaho Grain Market Report, April 21, 2011

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, April 20, 2011. Barley prices in \$/Cwt. and wheat prices in \$/bu.

<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>			
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$11.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$11.00	(2-R) NQ (6-R) NQ	\$7.50	\$8.20	\$10.84
Idaho Falls	\$11.00	(2-R) \$11.25-\$11.50 (6-R) \$11.25	\$7.35	\$8.22	\$10.84
Blackfoot / Pocatello	\$11.45	(2-R) \$11.50 (6-R) NQ	\$7.10	\$7.63	\$10.80
Grace / Soda Springs	\$11.68	(2-R) NQ (6-R) NQ	\$7.35	\$7.91	\$10.59
Burley / Rupert Hazelton	\$10.50-\$10.75	(2-R) \$11.25 (6-R) \$11.25	\$7.25	\$7.93	\$10.56
Twin Falls / Eden / Buhl	\$11.50-\$13.00	(2-R) NQ (6-R) NQ	\$6.30-\$7.00	NQ	NQ
Weiser	\$9.00	(2-R) NQ (6-R) NQ	\$6.95	NQ	NQ
Nez Perce / Craigmont	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$7.34	\$8.94	\$11.72
Lewiston	\$10.85	(2-R) \$10.85 (6-R) \$10.85	\$7.53	\$9.19	\$11.91
Moscow / Genesee	\$10.65-\$11.75	(2-R) \$10.65 (6-R) \$10.65	\$7.30-\$8.00	\$8.90-\$9.68	\$11.68-\$12.24

### Trading Prices at Selected Terminal Markets, cash prices FOB

	#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 \$7.90-\$8.05 Aug NC \$7.85-\$8.05	Apr \$9.60-\$9.65 Aug NC \$9.45	Apr \$12.09-\$12.14
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$10.00	NQ	\$11.00	NQ	\$7.09-\$7.27	\$10.98-\$11.00
Minneapolis	\$10.62	NQ	\$12.92	NQ	\$9.01 ¾ (12%)	\$12.23 ¾ - \$13.03 ¾

### Market trends this week

**BARLEY** – Local barley prices were mostly higher this week ranging from no change to \$1.56 higher in southern Idaho and from no change to \$.25 higher in northern Idaho. USDA reported that barley export sales totaled .3 TMT for Taiwan and barley shipments totaled 1.1 TMT for Canada last week.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 90 cents lower to 40 cents higher; HRW ranged from 49 cents lower to 58 cents higher; and DNS ranged from 5 to 54 cents higher. USDA reported that wheat export sales last week were below trade expectations at 134.8 TMT for the current market year (plus sales of 168.4 TMT for MY 2011/12), down 70% from the previous week. Cumulative wheat export sales now tally 99.2% of the USDA projection for the marketing year, compared to a 5-year average of 94.6%. Wheat export shipments last week totaled 862 TMT, up 19% from the previous week, and 17% from the prior 4-week average.

**Wheat Competitor/Buyer News** – More talk this week that India is considering returning to the wheat export market after a long absence due to large government stocks and better than expected 2011 crop prospects of 84 MMT. The Ukrainian Parliament is reportedly considering imposing new grain export taxes through January 1, 2012...9% on wheat exports, 14% on barley exports and 12% on corn exports. The EU granted wheat export license for 281 TMT this week,

pushing cumulative wheat exports to 16.2 MMT for the year, compared to 14.4 MMT for the same period a year ago. **International import tender line-up...** Saudi Arabia tendered for 330 TMT of wheat this week and Lebanon bought 50 TMT optional origin wheat.

**CORN** – Corn export sales were on the low end of trade expectations at 613.4 TMT (plus sales of 243.9 TMT for MY 2011/12), down 28% from the previous week and 43% from the prior 4-week average. Cumulative corn export sales now tally 81.5% of the USDA projection for the marketing year, compared to a 5-year average of 78.4%. Corn export shipments last week totaled 935.3 TMT, down 15% from the previous week and 7% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported that U.S. ethanol production slipped further last week, totaling 856,000 bbls, down 4.68% from the previous week but up 2.88% from last year – **reflecting the lowest weekly production in 7 months and definitely signs of corn rationing in the ethanol sector.** Corn used for ethanol production was pegged at 89.88 million bushels, well below the 99.88 million bushels per week pace needed to reach the USDA's annual use estimate of 5 billion bushels. Talk surfaced in the trade on Thursday that the government might re-evaluate this week's ethanol production data because many felt it might be erroneously under-reporting actual production because modern plants are still operating at a profitable margin.

**Corn Competitor/Buyer News** – Reports this week that the Chinese government was taking additional steps to slow corn use by discouraging loans and removing the value-added tax breaks for corn processors in order to preserve available supplies for livestock feed. They also sold another 112 TMT of feed wheat stocks from their reserves this week.

**Futures market activity this week**

**A largely positive U.S. economic outlook was rattled on Monday when Standard & Poor's rating agency downgraded its long-term outlook for U.S. debt based on its doubt that U.S. leaders have the political will to solve U.S. debt problems.** That sent equity and commodity markets reeling on Monday, but this bearishness faded quickly as the markets returned their focus to other favorable news including strong tech corporate earnings and encouraging signs this week that the troubled U.S. housing sector might be turning the corner - new housing starts were up 7.2% in March and existing home sales were up 3.7%.

**WHEAT** – Wheat markets posted impressive double-digit gains on Monday on active fund buying triggered by a lower dollar and mounting weather-related crop concerns which span both winter and spring wheat crops, specifically a dry forecast for the Southern Plains where moisture needs are peaking and possible two to four week planting delays across the Northern Plains and Canadian Prairies. Wheat prices continued to climb on Tuesday, boosted by fears of deteriorating HRW crop conditions in the Southern Plains where temperatures are well above normal and serious planting delays across the spring wheat belt. Wheat prices closed mixed to lower on Wednesday under profit-taking pressure. The exception was nearby CBOT wheat contract which closed higher on expectations of increased demand in feed rations. Talk of possible rain for parts of France and China next week added to the weak tone. Wheat posted double-digit gains today (Thursday) as the dollar slipped lower and traders continued to build a weather risk premium into both near-by and deferred wheat contracts. **Wheat futures market closes on Thursday, 04/21/11...**

	<b>May 2011</b>	<b>Weekly Summary</b>	<b>July 2011</b>	<b>Weekly Summary</b>
Chicago	\$7.99 ½	Up \$0.55 ¼	\$8.34 ¾	Up \$0.54 ¾
Kansas City	\$9.32 ½	Up \$0.67	\$9.43	Up \$0.67
Minneapolis DNS	\$9.51 ½	Up \$0.62 ½	\$9.60 ¾	Up \$0.63

**CORN** – Corn markets began the week moderately higher as an active storm system across the Central and Eastern Corn Belt spurred concerns about planting delays. Spillover support from the wheat rally also was noted, but gains in the old crop May and July contracts were capped by concerns about near-by demand that was sparked by reports that U.S. hog producers in southeast are feeding Canadian feed wheat. May and July corn contract prices drifted lower on Tuesday, following an overnight rally, as the trade's focus appears to be shifting to new crop contracts which settled higher on concerns about planting delays and tight stocks. Corn continued to bleed lower on Wednesday in a bearish reversal triggered by more profit-taking. The session set an early positive tone from a surge in crude oil prices and global equities along with generally wet weather forecasts for the next week, but then plunged lower into the close as at least one private forecaster issued an updated warmer and drier outlook for next week, along with pressure from signs of corn rationing in the ethanol sector and volatility from May options expiration. Corn finished higher today (Thursday) boosted by a weaker dollar and continued outlook for heavy rains in the forecast for much of the Midwest next week. Talk that the government might re-evaluate its weekly ethanol production data because many felt it was under-reporting actual production also provided support. **May 2011 corn futures contract closed Thursday, 04/21/11, at \$7.37 ¼, down \$0.04 ¾ and the July 2011 contact closed at \$7.44 ½, down \$0.05 for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

▪ **CRUDE OIL** – The **U.S. dollar broke to a new 3 year low this week**, pushing crude oil prices mostly higher this week. The crude oil market opened the week down \$2.54 to close at \$107.12/bbl under pressure from another move by the Chinese to tighten bank reserves and drive interest rates higher which traders believe could slow energy demand. OPEC comments that the world market was well supplied also added to the negative tone. But from Tuesday on the market was primed to move higher in volatile trading as global equities rallied and the U.S. dollar fell. **Prices topped \$111/bbl on**

**Wednesday – up more than \$3** – on a combination of a bullish weekly U.S. crude stocks report and strong economic indicators which bolster demand expectations. The weekly government petroleum stocks report showed crude oil stocks fell 2.3 million bbls last week, compared to another expected increase of 1.3 million bbls; distillate supplies fell by 2.5 million bbls; and gasoline stocks declined by 1.6 million bbls, compared to an expected draw of 1.75 million bbls. The EIA reported that U.S. gasoline demand fell by 1.3% last week to 9.06 million barrels per day, a definite sign that higher prices were curbing demand. **Crude closed above \$112/bbl on Thursday**, boosted by a weak dollar and reports that Chinese oil demand climbed 11% in March, despite fears that recent moves by the Chinese government to cool an over-heated economy would slow energy demand.

▪ **U.S. WEATHER / CROP WATCH** – After a weekend of showers across the Corn Belt and violent storms that carved a wide swath through parts of the southern U.S., cool wet weather settled into much of Midwest this week stalling corn and spring wheat planting. Frequent showers were expected to continue for the next 6 days but the 11-15 day outlook was trending drier. The 16-30 day outlook is dry for much of the region, with possible exceptions in parts of the Eastern Corn Belt. **PNW winter grain crops are in excellent shape while spring grain planting pace remains slow in most areas.**

**Winter wheat** – Most of the recent moisture has bypassed critically dry areas of the southwestern belt which represents **about half of the HRW crop**. Much of this wheat is in jointing to heading stage when moisture needs are the greatest.

The weekly U.S. wheat condition index continued to reflect these problems, showing a score of 287, down from last week, 89 points lower than last year and 46 points below the 10-year average. Only 25% of the Kansas crop is now rated good to excellent, down 3% from the previous week, while only 7% of the Oklahoma crop is rated good to excellent. The 6-10 and 8-14 day forecasts show warm dry conditions continuing for the southwestern belt. **Spring wheat** - The Northern Plains and Canadian Prairies have seen no notable relief from the cool wet pattern, with considerable snowpack still remaining in some areas and soil temperatures too cool for fieldwork. **Planting delays are likely to range from 10 days to 4 weeks.**

**Corn** – At least 25% of U.S. corn acres are expected to see notable planting delays this year. Based on the current planting pace the summer outlook puts about 25% of the corn crop at risk of summer heat and dryness.

▪ **INTERNATIONAL WEATHER / CROPS**

▪ **Canada** – Cold and wet pattern continues with best estimates pointing to a **10 day to 3 week planting delay**.

▪ **Europe** – Hot dry conditions stretching from France into central Germany have captured the European wheat trade's attention, pushing wheat futures to a 2-month high this week. While favoring a rapid spring planting pace, stand establishment might be affected along with stress on winter grain crops.

▪ **Former Soviet Union** – Rain across parts of Ukraine and Russia boosted moisture for winter grains but is slowing spring grain planting. The opposite is true for eastern Ukraine and the Volga Valley of Russia where a disturbing dry pattern is re-emerging which is consistent with a lingering La Nina weather pattern. The Ukrainian Parliament is considering imposing a new 9% export tax on wheat, 14% on barley and 12% on corn up to January 1, 2012 in a move to continue rationing stocks.

▪ **Middle East** – More locally heavy rains across the northern production regions have helped boost needed moisture for vegetative to filling winter grains.

▪ **Northern Africa** – More of the same...dry hot weather continues to accelerate winter grain maturation and early harvesting.

▪ **China** – Almost all northern crop areas remained mostly dry. About 45% of the winter wheat crop continues to suffer from drought, with at least 25% of the crop expected to see irreversible losses. About 30% of the corn acreage is seeing planting delays or poor stand establishment.

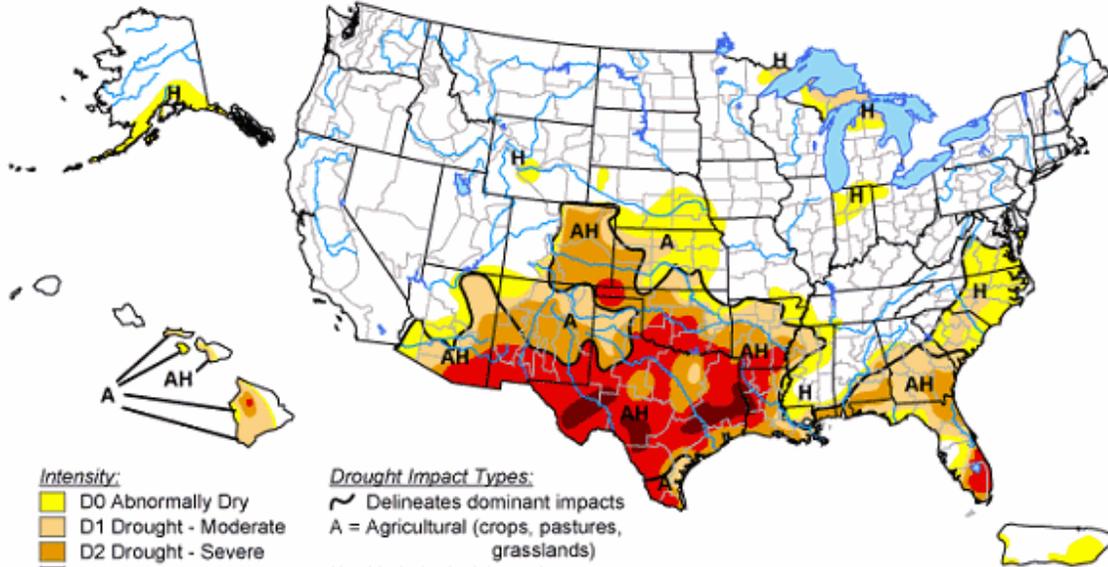
▪ **Argentina** – Warm dry weather aided corn and soybean harvest.

**USDA Crop Progress / Condition Report, April 18, 2011**

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. barley	11%	NA	19%	16%			
<b>ID barley</b>	<b>36%</b>	<b>NA</b>	<b>23%</b>	<b>31%</b>			
US spring wheat	5%	NA	18%	12%			
<b>ID spring wheat</b>	<b>35%</b>	<b>NA</b>	<b>28%</b>	<b>36%</b>			
US winter wheat	14% headed	NA	6%	10%	36%	36%	69%
<b>ID winter wheat</b>	<b>0% headed</b> <b>10% jointed</b>	<b>NA</b>	<b>0%</b> <b>5%</b>	<b>0%</b> <b>8%</b>	<b>82%</b>	<b>87%</b>	
Corn	7%	3%	16%	8%			

# U.S. Drought Monitor

April 19, 2011  
Valid 8 a.m. EDT



Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

Drought Impact Types:

- Delineates dominant impacts
- A = Agricultural (crops, pastures, grasslands)
- H = Hydrological (water)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



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<http://drought.unl.edu/dm>