

Idaho Grain Market Report, April 30, 2009

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 29, 2009. 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) \$7.50 (6-R) \$7.50	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.20	\$4.60	\$6.55
Idaho Falls	\$5.75	(2-R)\$8.44-\$8.50 (6-R)\$8.44	\$4.15	\$4.86	\$6.63
Blackfoot / Pocatello	\$5.93	(2-R) \$7.50 (6-R) \$7.50	\$4.20	\$4.58	\$6.54
Grace / Soda Springs	\$6.47	(2-R) NQ (6-R) NQ	\$4.08	\$4.68	\$6.47
Burley / Rupert Hazelton	\$6.00	(2-R) \$8.44 (6-R) \$8.44	\$4.00-\$4.05	\$4.63	\$6.35
Twin Falls / Eden / Buhl	\$6.35	(2-R) NQ (6-R) NQ	\$3.77	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$4.19	NQ	NQ
Nez Perce / Craigmont	\$4.62	(2-R) \$4.62 (6-R) \$4.62	\$4.73	\$5.57	\$7.34
Lewiston	\$5.07	(2-R) \$5.07 (6-R) \$5.07	\$4.92	\$5.76	\$7.53
Moscow / Genesee	\$4.67-\$6.00	(2-R) \$4.67 (6-R) \$4.67	\$4.69-\$5.42	\$5.53-\$6.15	\$7.30-\$7.99

Trading Prices at Selected Terminal Markets, cash prices FOB

	Barley (Cwt.)		Malting	Wheat (bu.)		
	#2 Feed 46 lbs. -- unit trains barge	Single rail cars- domestic		#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	Apr \$5.25-\$5.39 Aug NC \$5.25-\$5.35	Apr \$6.01-\$6.16 Aug NC \$6.16-\$6.21	Apr \$7.83-\$7.93 Aug NC \$7.21-\$7.31
Los Angeles	\$8.90	NQ	NQ	NQ	NQ	NQ
Stockton	\$9.75	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.90	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.54	NQ	NQ	\$4.45	\$4.99	\$6.75
Great Falls	NQ	NQ	NQ	NQ	\$4.56	\$6.34
Minneapolis	\$5.72	NQ	\$8.12	NQ	\$6.16 ¼ (12%)	\$7.68 ¼ - \$7.93 ¼

Market trends this week

BARLEY – Local barley prices were slightly lower, ranging from 25 cents lower to no change this week. USDA reported barley export sales last week at 1.1 TMT all for Japan. Barley export shipments last week totaled .2 TMT for Mexico.

Barley Competitor/Buyer News – Japan held an SBS import tender for 2,200 MT of food barley on April 15, with the U.S. capturing the largest share at 1,100 MT, Australia 1,000 MT and Canada 100 MT.

WHEAT – Local wheat prices were mixed this week: SWW ranged from 17 cents lower to 85 cents higher; HRW ranged from 15 cents lower to 7 cents higher; and DNS from 25 cents lower to 24 cents higher. U.S. wheat export sales last week were below trade expectations at 142.4 TMT (new crop sales totaled 108.8 TMT), down 39% from the previous week and 31% from the prior 4-week average. Export shipments last week totaled 362.8 TMT, which was down 6% from the week before and 18% from the prior 4-week average. Cumulative wheat export sales now total 97.8% of the USDA forecast for the marketing year which ends May 31, compared to five-year average of 96.4%.

Wheat Competitor/Buyer News – Buenos Aires Grain Exchange is projecting Argentine wheat plantings will decline this year to only 9.14 million acres, down 18% from a year ago and the smallest wheat acreage on record, due to drought, tight credit and uncertainty about government export policies. Egypt purchased 60 TMT of Canadian wheat overnight. **International tenders...** Iraq 50 TMT and Syria 200 TMT.

CORN – Corn export sales were above trade expectations last week at 1.225 MMT (new crop sales totaled 116 TMT), up 1% from the previous week and 11% from prior 4-week average. Export shipments last week totaled 838 TMT, which was down 18% from the previous week and 15% from the prior 4-week average. Cumulative corn export sales now total 86.5% of the USDA forecast for the marketing year, compared to five-year average of 82.1%.

Corn Competitor/Buyer News – South Korean feed millers bought 220 TMT U.S. corn this week.

Futures market activity this week

The stock market began the week lower under pressure from a combination of investor jitters about the health of U.S. banks, the expanding Influenza A epidemic and anticipation over the next round of quarterly earnings reports. There was speculation that at least two large banks – Bank of America and Citigroup – will need to raise additional capital to sustain further losses (stress test results will be made public next Monday). Encouraging economic news helped turn the sentiment around on Tuesday, with a better than expected consumer confidence index reading. The Federal Reserve confirmed on Wednesday that the U.S. economy remained weak but that recent declines were slowing and inflation remained subdued. This helped propel the Dow triple digits higher despite confirmation that the 1st quarter 2009 GDP fell by 6.1%, better than the 6.3% decline in the previous quarter, but worse than had been expected. Equities lost ground today on a spate of mixed news... consumer spending fell more than expected last month; Chrysler declared bankruptcy (with the support of the Federal gov't); and Exxon reported worse than expected quarterly earnings, with the biggest profit decline since 2002. Several other companies reported better than expected earnings this quarter, including Dow Chemical, BASF and Honda Motor Co.

Wheat – Wheat futures began the week sharply lower under liquidation pressure sparked by a market-wide panic over potential impacts of the expanding flu epidemic. Prices turned moderately higher on Tuesday in a mostly quiet session, with gains limited by late session profit taking. A lower dollar, weather concerns and short covering pushed prices higher on Wednesday, with MGE leading the gains on concerns with further spring planting delays this week. Wheat prices finished higher today (Thursday) with spillover support from soybeans and spring wheat planting delays. **Wheat market closes on Thursday, 4/30/09...**

	<u>May 09</u>	<u>Weekly Summary</u>	<u>July 09</u>	<u>Weekly Summary</u>
Chicago	\$5.24 ¼	Down \$.08	\$5.36 ½	Down \$.06 ¾
Kansas City	\$5.76 ¼	Down \$.10	\$5.84 ¾	Down \$.08 ¾
Minneapolis DNS	\$6.81 ½	Up \$.16 ½	\$6.58 ¼	Up \$.07 ¼

Corn – Corn prices began the week lower under pressure from fund selling sparked by weak outside markets and concerns that the flu epidemic would result in lower pork and feed grain demand, but losses were trimmed by concerns about planting delays from widespread rains across the Midwest this week. Prices turned moderately higher on Tuesday as flu concerns eased and weather concerns became front and center. More rain events are in the 6-10 day forecast, indicating that planting delays will continue, particularly in central and eastern regions, resulting in a shift in acreage from corn to soybeans. Late session fund buying drove prices sharply higher on Wednesday, buoyed by a soybean rally and lower dollar. Corn finished higher again today (Thursday) on strength in soybeans, planting delay concerns and better than expected export sales. **May 09 corn contract closed on Thursday, 4/30/09, at \$3.96 ¼, up \$.19¼ for the week and the July 09 contract at \$4.03 ½, up \$.17¾ for the week.**

Other Major Factors to Watch

§ **International Grains Council released their monthly S&D estimates today**, with revised projections for the new Marketing Year 2009/10. Here is how IGC estimates stack up against USDA's April 9 projections (USDA won't release their first MY 09/10 projections until May 10)...

	IGC World Wheat – MY 09/10	IGC – MY 08/09	USDA - MY 08/09	IGC World Corn – MY 09/10	IGC – MY 08/09	USDA – MY 08/09
Production	651 MMT	688 MMT	682 MMT	778 MMT	783 MMT	786 MMT
Trade	112 MMT	122 MMT	131 MMT	83 MMT	79 MMT	76 MMT
Consumption	642 MMT	642 MMT	646 MMT	791 MMT	773 MMT	773 MMT
Ending Stocks	171 MMT	162 MMT	158 MMT	129 MMT	142 MMT	143 MMT

IGC is projecting world wheat ending stocks will increase to 171 MMT in the MY 09/10, an 8-year high.

§ **Crude oil** – Crude oil prices began the week slightly lower on concerns about the potential global economic impact from a spreading H1N1 flu epidemic, but still managed to hold around \$50/bbl. Prices continued to drift mostly sideways as slow demand remained an anchor on this market. Once again, weekly crude oil inventories

were more than double analysts' expectations - increasing by 4.1 million barrels compared to an expected build of 1.8 million bbls. Distillate stocks showed a build of 1.8 million bbls, compared to an expected increase of 1.0 million bbls. Gasoline stocks, on the other hand, fell by 4.7 million bbls, compared to an expected build of 200,000 bbls.

- § **U.S. winter wheat crop rating / frost losses** – Winter wheat crop ratings improved this week to 45%, up 2% from the previous week, with the overall condition index score also gaining ground - climbing to 314 - but still well below a 10-year average of 334. KS crop rating continued to improve to 48% g/ex, but OK fell to just 9% g/ex as frost damage continued to be assessed. A continued wet weather pattern this week, particularly in Central and Southern Plains, should boost crop ratings again next week.
- § **International Weather Watch** –
- **Europe** – Dryness persisted in the Northeastern region, further depleting soil moisture. Western/southern regions continued to receive beneficial showers for heading winter grains.
 - **Russia / Ukraine** – Unseasonably cold weather slowed spring planting and crop emergence and winter grain development. Freezing temps dipped as far south as Ukraine, threatening jointing winter grains. Grains areas have been excessively dry but light showers are expected by the weekend.
 - **China** – Widespread spring rains continue to benefit winter grains.
 - **Middle East** – Widespread rains continued to benefit wheat and barley crops.
 - **Northwest Africa** – Heavy rainfall has maintained abundant soil moisture for heading winter grains.
 - **Argentina** – Persistent dryness has helped accelerate soybean harvest, although yields have recently been cut by at least 2 MMT. Areas remain too dry for winter grain planting, with winter wheat area now expected to decline by as much as 18%.
 - **Australia** – Recent showers have recharged topsoil moisture, allowing winter grain planting season to get underway. New South Wales is projecting wheat acreage will be higher this year, due to recent moisture.

USDA Crop Progress / Condition Report, April 27, 2009

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	17%	9%	32%	34%			
ID barley	46%	31%	46%	50%			
US spring wheat	15%	6%	32%	36%			
ID spring wheat	56%	40%	53%	63%			
US winter wheat	Headed 21%	14%	14%	23%	45%	43%	46%
ID winter wheat	Headed 0%	0%	0%	0%	81%	81%	
US Corn	22%	5%	9%	28%			