

# Idaho Grain Market Report, July 28, 2011

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 27, 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) \$13.05 (6-R) \$13.05	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$11.00	(2-R) \$11.98-\$13.25 (6-R) \$11.98	\$7.00	\$6.65	\$8.79
Blackfoot / Pocatello	\$11.66	(2-R) \$13.05 (6-R) \$13.05	\$6.75	\$6.18	\$9.03
Grace / Soda Springs	\$11.85	(2-R) NQ (6-R) NQ	\$6.70	\$6.76	\$8.29
Burley / Rupert Hazelton	\$12.00	(2-R) \$11.98 (6-R) \$11.98	\$6.30	NQ	NQ
Twin Falls / Eden / Buhl	\$11.00-\$12.70	(2-R) NQ (6-R) NQ	\$5.95 - \$7.00	NQ	NQ
Weiser	\$10.50	(2-R) NQ (6-R) NQ	\$5.90	NQ	NQ
Nez Perce / Craigmont	\$10.10	(2-R) \$10.10 (6-R) \$10.10	\$6.39	\$7.47	\$9.35
Lewiston	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$6.58	\$7.66	\$9.54
Moscow / Genesee	\$10.15-\$11.50	(2-R) \$10.15 (6-R) \$10.15	\$6.35-\$7.05	\$7.43-\$8.24	\$9.31-\$10.06

### 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	July \$6.80-\$7.05 Aug NC \$6.90-\$7.05	July \$8.08-\$8.30 Aug NC \$8.13-\$8.28	July \$9.91-\$10.41 Aug NC \$9.81-\$10.26
Los Angeles	\$15.25	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.25	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.00	NQ	NQ	\$6.95	\$6.98	\$8.46
Great Falls	\$10.00	NQ	\$12.00	NQ	\$5.43-\$6.30	\$8.57-\$9.05
Minneapolis	\$10.94	NQ	\$16.25	NQ	\$8.09 (12%)	\$10.11-\$10.51

### Market trends this week

**BARLEY** – Local barley prices were mixed ranging \$1.00 lower to \$.50 higher in southern Idaho and \$.30 higher in northern Idaho. USDA reported barley export sales totaled 25 TMT last week, for Saudi Arabia. There were no barley export shipments last week.

**WHEAT** – Local wheat prices were also mixed this week: SWW ranged from 39 cents lower to 65 cents higher; HRW ranged from 24 cents lower to 13 cents higher; and DNS ranged from 26 cents lower to 31 cents higher. USDA reported wheat export sales last week were near the high end of trade expectations at 473.8 TMT, up 38% from the previous week and 3% from the 4-week average. Wheat export shipments totaled 564 TMT, up 17% from the previous week however it was down 1% from the 4-week average.

**Wheat Competitor/Buyer News** – Russia has reportedly exported 2 MMT of grain since they lifted their export ban this month, with 90% of that as wheat. Egypt purchased 120 TMT of Russian wheat this week, Jordan purchased 50 TMT and Syria 127 TMT, all believed to be Black Sea origin. Iraq is projecting their 2011 wheat crop will total 2.2 MMT on improved irrigation conditions.

**CORN** – Corn export sales last week were below trade expectations at 484.9 TMT for both MY 2011 and 2012. Corn export shipments last week totaled 1 MMT, up 9% from the previous week but and 16% from the 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported that U.S. ethanol production totaled 874,000 bbls last week, up 0.11% from the previous week and up 7.11% from last year – **representing a weekly corn usage of 93.1 million bushels. Weekly corn usage needs to total 113.7 million bu in order to reach USDA's projection for the marketing year of 5.05 billion bushels.**

#### Futures market activity this week

**WHEAT** – Wheat began the week modestly lower, staging a late session rally off of early lows. Spillover weakness was the main feature, as well as growing concerns that Russian crop prospects are increasing and US prices are well above Black Sea values. Wheat turned decidedly higher on Tuesday and again on Wednesday – reaching the highest level since July 14 – on ideas that U.S. spring wheat crop has been overestimated as well as expectations for increased feeding demand this fall and winter as U.S. corn prices climb. Wheat finished moderately lower today (Thursday) in choppy trading as early strength from expectations of lower spring wheat production gave way to spillover weakness in other commodity markets. **Wheat futures market closes on Thursday, 07/28/11...**

	<u>Sept 2011</u>	<u>Weekly Summary</u>	<u>Dec 2011</u>	<u>Weekly Summary</u>
Chicago	\$6.93 ¼	Up \$0.01	\$7.35	Up \$0.04
Kansas City	\$7.83 ½	Up \$0.03 ½	\$8.09 ½	Up \$0.05 ¼
Minneapolis DNS	\$8.46 ¾	Up \$0.08 ¼	\$8.47	Up \$0.05 ¼

**CORN** – Corn fell double digits on Monday on early aggressive fund selling triggered by across the board weakness in commodities and equities. A cooler and showery weather outlook for the Northern Plains also provided some underlying pressure. Corn rebounded by double digits on Tuesday on signs of fresh export business and confirmation of deteriorating crop conditions – down 4% to 62% good/excellent compared to 72% a year ago. Many trade analysts believe US corn yields have declined to around 155 bu per acre as a result of last week's scorching heat, compared to USDA's July estimate of 158.6 bpa. Corn finished moderately lower today (Thursday) on a less threatening weather outlook which shows extreme temps moderating and good chances for rain in the northern production region through next week. Concerns about increasing wheat feeding and disappointing export sales also weighed on the corn market. **Sept 2011 corn futures contract closed Thursday, 07/28/11, at \$6.82 ¼ down \$0.07 ¾ and the Dec 2011 contact closed at \$6.86 ¼, up \$.00 ¾ for the week.**

#### OTHER MAJOR FACTORS TO WATCH –

▪ **CRUDE OIL – More volatility this week, which was closely tied to investor attitudes toward continued debt worries in both Europe and the U.S. and prospects for future energy demand.** August prices began the week \$0.67 lower to close at \$99.20 (after posting a solid rally the previous Friday). Tuesday saw prices rebound slightly – gaining \$0.39 to close at \$99.59 -- with support from dollar weakness. But prices then moved sharply lower again on Wednesday – down \$2.19 to close at \$97.40/bbl -- on continuing uncertainty about a deal to raise the U.S. debt limit by next Tuesday, as well as a larger than expected increase in domestic crude oil stocks. The weekly government petroleum stocks report showed an unexpected increase in crude oil stocks of 2.3 million bbls, compared to an expected decline of 1.5 to 2.0 million bbls; distillates increased by 3.385 million bbls; and gasoline stocks increased by 1.022 million bbls last week. **Crude oil prices traded in a very narrow range today today (Thursday) – closing up \$.04 bbl to \$97.44/bbl – on a combination of concerns about slowing economic growth and a higher dollar.**

▪ **U.S. WEATHER / CROP WATCH** – Warm conditions persisted this week although temperatures are expected to moderate into the next week. An active rain system brought beneficial moisture to the northern Midwest over the weekend and this week, but about 40% of the belt continued to experience moisture deficit. Chances have improved for some moisture to move into the severe drought areas of the southwest next week. The 16 to 30 day outlook shows warm and dry conditions returning.

#### ▪ INTERNATIONAL WEATHER / CROP WATCH

- **Canada** – Warm showery conditions have been mostly favorable to spring grains, although some areas continue to suffer from excessive moisture.
- **Europe** – Locally heavy rains continue to pummel England, France eastward into Poland, hampering winter grain harvest and raising quality concerns in a year in which milling quality wheat stocks are tight. Meanwhile, the Balkan region suffers from hot weather which is stressing silking corn.
- **Former Soviet Union** – Rains continue to hamper winter grain harvest in Ukraine but has eased some concerns silking corn. Western and Southern Russia has seen hot dry weather which is promoting crop maturity in winter grains but is causing some stress in silking corn. Northern Kazakhstan and Eastern Russia continued to see beneficial showers for filling spring grains.
- **China** – Showers continued to benefit corn in western Manchuria and North China Plains.
- **Argentina** – Rain has improved planting prospects, particularly in the drier southern production region.
- **Australia** – Western Australia continued to receive periodic showers, benefitting vegetative winter grains, while most other regions remained dry and are beginning to see depleted top soil moisture.

**USDA Crop Progress / Condition Report, July 25, 2011**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
U.S. barley	86% headed	62%	88%	93%	77%	76%	86%
<b>ID barley</b>	<b>97% headed</b>	<b>80%</b>	<b>89%</b>	<b>93%</b>	<b>88%</b>	<b>86%</b>	
U.S. spring wheat	83% headed	60%	92%	95%	74%	73%	83%
<b>ID spring wheat</b>	<b>95%</b>	<b>80%</b>	<b>83%</b>	<b>92%</b>	<b>89%</b>	<b>86%</b>	
U.S. winter wheat	75% harvested	68%	78%	80%			
<b>ID winter wheat</b>	<b>1% harvested</b>		<b>1%</b>	<b>6%</b>	<b>77%</b>	<b>77%</b>	
Corn	65% silking	35%	82%	69%	62%	66%	72%

