

Idaho Grain Market Report, March 8, 2012

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 7, 2012. 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) \$12.00 (6-R) \$12.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$10.00	(2-R) NQ (6-R) NQ	\$6.10	\$6.10	\$8.05
Idaho Falls	\$9.50	(2-R) \$12.50-\$13.02 (6-R) \$13.02	\$6.10	\$6.23	\$8.13
Blackfoot / Pocatello	\$9.37	(2-R) \$12.00 (6-R) \$12.00	\$6.10	\$5.85	\$7.95
Grace / Soda Springs	\$10.75	(2-R) NQ (6-R) NQ	\$6.25	\$6.03	\$7.93
Burley / Rupert	\$9.50	(2-R) \$13.02 (6-R) \$13.02	\$5.95	NQ	NQ
Hazelton					
Twin Falls / Eden / Buhl	\$11.00	(2-R) NQ (6-R) NQ	\$5.75	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.09	NQ	NQ
Nez Perce / Craigmont	\$9.00	(2-R) \$9.00 (6-R) \$9.00	\$6.44	\$6.99	\$8.84
Lewiston	\$9.25	(2-R) \$9.25 (6-R) \$9.25	\$6.63	\$7.18	\$9.03
Moscow / Genesee	\$9.05-\$10.50	(2-R) \$9.05 (6-R) \$9.05	\$6.40-\$7.10	\$6.95-\$7.63	\$8.80-\$9.53

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	Mar \$7.10-\$7.23 Aug NC \$6.65-\$6.70	Mar \$7.64-\$7.69 Aug NC \$7.36	Mar \$9.44-\$9.59 Aug NC \$8.61-\$8.71
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$11.00	NQ	NQ	\$6.40	\$6.20	\$8.08
Great Falls	\$8.00-\$9.75	NQ	\$11.50-\$11.75	NQ	\$5.36-\$5.86	\$8.33-\$8.36
Minneapolis	\$11.25	NQ	\$14.69	NQ	\$7.43 ¾ (12%)	\$9.53 ¾ - \$9.73 ¾

Market trends this week

BARLEY – Local barley prices were mixed this week, ranging from 50 cents lower to 50 cents higher in southern Idaho and 15 to 25 cents higher in northern Idaho. USDA reported that there were no export sales or export shipments last week.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from no change to 25 cents lower; HRW ranged from 6 to 29 cents lower; and DNS ranged from 13 cents lower to 30 cents higher. USDA reported wheat export sales last week were above trade expectations at 578.1 TMT (446.7 TMT for MY 2011/12 and 131.4 TMT for MY 2012/13), up 8% from the previous week, however it was down 20% from the 4-week average. Export shipments totaled 432.8 TMT, up 110% from the previous week and 3% from the 4-week average.

March 9 S&D report tomorrow – the average trade estimate for U.S. wheat is for a small downtick from last month's 845 million bu to 836 million bu, due to stronger export pace.

Wheat Competitor/Buyer News – Egypt purchased 60 TMT of U.S. wheat overnight. Libya purchased 65 TMT of Russian wheat this week and Bangladesh is tendering to buy 100 TMT of Ukrainian wheat, suggesting that Black Sea wheat exports have resumed at least on a modest pace.

CORN – Corn export sales last week were on the low end of trade expectations at 505.7 TMT (445.7 TMT for MY 2011/12 and 60 TMT for MY 2012/13). Corn export shipments last week totaled 769.2 TMT, which was down 6% from the previous week and 9% from the 4-week average.

March 9 S&D report tomorrow – the average trade estimate for U.S. corn ending stocks is 785 million bu, down 16 million bu from USDA's Feb. 9 estimate of 801 million bu.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production totaled 906,000 bbls per day last week, up 1.1% from the previous week and up 2.6% from last year. Corn used for ethanol last week totaled 96.51 million bu, still above the weekly pace of 94.2 mbu needed to reach USDA's usage estimate of 5.0 billion bushels for the year.

Corn Competitor/Buyer News – South Korean buyers purchased 126 TMT of US corn and 110 TMT optional origin corn this week. Conab released a revised Brazilian corn estimate this week showing production up slightly from last month to 61.7 MMT due to higher winter corn plantings. USDA pegged the Brazilian corn crop at 61 MMT. The Buenos Aires Grain Exchange, on the other hand, lowered its estimate of Argentine corn production to 20.8 MMT, compared to their previous estimate of 21.3 MMT.

Futures market activity this week

Macroeconomic news – Investor anxieties re-emerged this week on concerns about future Chinese and European growth prospects... Chinese leaders lowered their growth projection for 2012 to 7.5% as their economy continues to shift from a dominant export driven to more domestic consumption while EU reported its GDP contracted in the 4Q2011 by 0.3%. However the economic mood improved by mid-week as the majority of private bondholders of Greek debt officially agreed to crucial restructuring of that nation's debt, bolstering optimism that the EU economy will rebound.

U.S. economic news – The U.S. service sector showed better than expected growth last month and projections indicate that the monthly jobs report will show impressive job gains in Friday's key monthly employment report.

WHEAT – Wheat opened the week with moderate losses after a strong early session gave way to fund selling triggered by across the board weakness in equities and commodities under a tidal wave of risk-adverse attitude. Tuesday brought sharper losses from a bearish combination of a higher dollar and sharp sell-off in equities. Active fund selling drove wheat sharply lower on Wednesday despite more positive news in outside markets. Talk of improving winter wheat weather provided pressure. Wheat continued to drift lower today (Thursday) on fund selling/consolidation ahead of Friday's monthly S&D report. **Wheat market closes on Thursday, 03/08/12...please note we have shifted to May and July contracts.**

	<u>May 2012</u>	<u>Weekly Summary</u>	<u>July 2012</u>	<u>Weekly Summary</u>
Chicago	\$6.34 ¾	Down \$0.29 ¾	\$6.45 ¾	Down \$0.40 ½
Kansas City	\$6.78 ¼	Down \$0.32 ½	\$6.86 ½	Down \$0.39
Minneapolis DNS	\$8.03 ½	Down \$0.31 ½	\$8.00	Down \$0.25 ¾

CORN – Corn posted impressive gains on Monday, divorcing itself from weakness in other commodities and equities. Corn drew strength from a firm cash market and ideas that China would need to buy more corn on the world market. Corn succumbed to the bearish tidal wave on Tuesday, closing moderately lower despite a turn higher in soybean prices. Corn posted a sharp retreat on Wednesday under pressure from technical selling, weaker cash markets and consolidation ahead of Friday's monthly S&D report. Corn continued to grind lower today (Thursday) despite positive outside market trends (lower dollar and higher energies), with pressure from fund selling that was triggered by positioning ahead of the monthly report and a higher Brazilian corn crop estimate. **May 2012 corn futures contract closed Thursday, 03/08/12, at \$6.35½, down \$0.19½ and the July 2012 contract closed at \$6.37, down \$0.19¼ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL –Crude oil prices continued to chop around this week...beginning the week mostly steady at \$106.72 but then tumbling \$2 on Tuesday to close at \$104.70 under heavy selling pressure from a dollar rally and sharp retreat in global equities. Crude oil rebounded on Wednesday – gaining a \$1.46 to close at \$106.16 – on support from a weaker US dollar and improved investor sentiment. DOE reported crude oil stocks increased less than expected last week – up 832,000 bbls, compared to an expected build of 1.5 million bbls. Distillates fell by 1.94 million bbls, compared to an expected decline of 1.65 million bbls; and gasoline stocks fell by 396,000 bbls, compared to an expected decline of 1.6 million bbls. **Crude oil prices moved modestly higher today – closing up \$0.42 to \$106.58 – with a supportive bounce from higher global equities and significant weakness in the U.S. dollar.**

U.S. WEATHER / CROP WATCH –corn planting has begun across the south with warmer than normal conditions

expected to promote rapid planting and emergence. **Central/Southern Plains** – saw limited precipitation over the past week but was expecting some scattered showers by the weekend and a second surge of moisture in the central region in the 11-15 day period. Western Kansas and eastern Colorado remain unfavorably dry. **Northern Plains/Western Midwest** – warmer and drier at the start of the week but a cold front dropped down from Canada mid week, setting off showers and cooler temps. A second round of good moisture flow is expected in the 11-15 day period and possibly into the 16-30 day outlook, but is not expected to slow spring fieldwork. **Pacific Northwest** – mostly dry this week.

INTERNATIONAL WEATHER / CROP WATCH

- **Brazil/Argentina** – Spotty rains over the weekend in Brazil's winter corn region but not much moisture was expected over the next 10 days. Stress has expanded to about 25% of this crop. Harvest of first crop corn is progressing in both Brazil and Argentina.
- **Europe/Former Soviet Union** – recent showers have been minimal and the winter grain region is expected to be mostly dry for the next 10 days, limiting moisture for early spring growth.
- **Canada** – western Canadian prairies experienced one of the driest winters on record but showers crossed the region this week. Most spring grain areas continue to be short of moisture that will be needed for good spring crop establishment but there are good chances for relief in the next 16-30 days.

Don't Miss Out...Succession/Estate Planning Three-Day Short Course for Farm and Ranch Operators in North Idaho – March 12, 13 and 15 in Moscow, contact Ken Hart, 208-937-2311.