

# Idaho Grain Market Report, April 5, 2012

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 4, 2012. 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) \$12.00 (6-R) \$12.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$9.50	(2-R) NQ (6-R) NQ	\$6.15	\$6.17	\$8.47
Idaho Falls	NQ	(2-R) \$12.50-\$13.50 (6-R) \$12.50	NQ	NQ	NQ
Blackfoot / Pocatello	\$10.41	(2-R) \$12.00 (6-R) \$12.00	\$6.10	\$5.94	\$8.29
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$9.50-\$10.00	(2-R) \$13.02 (6-R) \$13.02	\$6.20-\$6.35	\$6.03	\$8.29
Twin Falls / Eden / Buhl	\$10.00-\$10.20	(2-R) NQ (6-R) NQ	\$5.60-\$6.00	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.05	NQ	NQ
Nez Perce / Craigmont	\$9.10	(2-R) \$9.10 (6-R) \$9.10	\$6.34	\$6.96	\$9.20
Lewiston	\$9.35	(2-R) \$9.35 (6-R) \$9.35	\$6.53	\$7.15	\$9.39
Moscow / Genesee	\$9.15-\$10.15	(2-R) \$9.15 (6-R) \$9.15	\$6.30-\$7.05	\$6.92-\$7.71	\$9.16-\$9.90

### 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 \$6.95-\$7.00 Aug NC \$6.64-\$6.65	Apr \$7.55-\$7.70 Aug NC \$7.25-\$7.35	Apr \$9.86-\$9.96 Aug NC \$9.08-\$9.38
Los Angeles	\$13.30	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$13.30	NQ	NQ	NQ	NQ	NQ
Ogden	\$10.50	NQ	NQ	\$6.40	\$6.23	\$8.45
Great Falls	\$8.00-\$9.70	NQ	\$11.50	NQ	\$5.61-\$5.66	\$8.62-\$8.84
Minneapolis	\$10.83	NQ	\$14.69	NQ	\$7.29 ½ (12%)	\$9.90 ¾ - \$10.25 ¾

### Market trends this week

**BARLEY** – Local barley prices were mixed again this week, ranging from \$.50 lower to \$1.04 higher in southern Idaho and no change to \$.15 higher reported in northern Idaho. USDA reported that there were no export sales last week; however export shipments totaled .3 TMT for Taiwan.

**WHEAT** – Local wheat prices also were mixed this week: SWW ranged from 40 cents lower to 25 cents higher; HRW ranged from 17 cents lower to 21 cents higher; and DNS prices ranged from 2 cents to 56 cents higher. USDA reported wheat export sales last week were on the high end of trade expectations at 511.7 TMT (408.3 TMT for MY 2011/12 and 103.4 TMT for MY 2012/13), up 81% from the previous week and 9% from the 4-week average. Cumulative wheat export sales now stand at 94.9% of the USDA estimate for the current marketing year, compared to a five year average of 93%. Export shipments last week totaled 404.7 TMT, down 8% from the previous week and 9% from the 4-week average.

**International Grains Council's first projection for next Marketing Year 2012/13 - WHEAT** – IGC released its monthly global grain balance sheet on Monday, revealing their first look at production, consumption and ending stocks for MY 2012/13. Production was pegged at 681 MMT, down 2% from this year's 696 MMT, due to smaller crops in the Ukraine,

Kazakhstan and Australia somewhat offset by larger crops in Russia and North America. Consumption was pegged at 683 MMT up modestly from this year. Ending stocks are projected to remain comfortable, falling 1% to 208 MMT.

**Wheat Competitor/Buyer News** – Egypt purchased 115 TMT of US SRW wheat this week. **International tender line-up...** Tunisia for 75 TMT, Bangladesh for 50 TMT and Iraq for 50 TMT.

**CORN** – Corn export sales last week were well above trade expectations at 1.12 MMT (937.6 TMT for MY 2011/12 and 185.1 TMT for MY 2012/13). Cumulative corn export sales now stand at 78.9% of the USDA estimate for the current marketing year, compared to a five year average of 74.6%. Corn export shipments last week totaled 793.1 TMT, up 23% from the previous week and 7% from the 4-week average.

**International Grains Council's first projection for next Marketing Year 2012/13 - CORN** – 2012 world corn was pegged at a record high 900 MMT, up 4% from this year, with production likely exceeding consumption for the first time in the past 4 years. Consumption was pegged at 893 MMT driven by strong global livestock feed demand, compared to 874 MMT this year. Ending stocks are expected to increase to 129 MMT, up 6% from this year's 122 MMT.

**Corn Competitor/Buyer News** – Argentine Rosario Grain Exchange lowered their latest Argentine corn production estimate to 19.7 MMT, compared to USDA's March estimate of 22 MMT.

**Futures market activity this week**

**Macroeconomic news – More bad news for Europe this week....** Eurozone unemployment rate has risen to 10.8% while both Spain and Italy sold fewer bonds than targeted this week, reinforcing fears that euro debt problems linger.

**U.S. economic news** – Most U.S. economic indicators remained strong this week, including better than expected manufacturing index but softer than expected services index and construction spending. The recent steady beat of good economic news has dampened prospects for a third round of monetary stimulus by the Federal Reserve, triggering a major sell-off in equities and energies after the Fed's latest meeting minutes were released on Tuesday.

**WHEAT** – Wheat markets closed mixed on Monday as Chicago and Kansas City closed lower on expectations of improving wheat conditions while MGE saw double digit gains on support from the lower than expected spring wheat acreage. Wheat finished with fractional gains on Tuesday in two-sided trading that featured late session aggressive short covering helped to erase early losses resulting from negative outside market influences. Wednesday saw wheat prices collapse under pressure from prospects for more beneficial moisture in the weather outlook and very bearish outside markets which triggered aggressive selling. Wheat traded both sides of unchanged on Thursday as strong weekly export sales provided early support but gains eroded into the close under profit-taking pressures ahead of the three-day weekend. **Wheat market closes on Thursday, 04/05/12...**

	<u>May 2012</u>	<u>Weekly Summary</u>	<u>July 2012</u>	<u>Weekly Summary</u>
Chicago	\$6.38 ½	Down \$0.22 ¼	\$6.46 ¼	Down \$0.27 ¾
Kansas City	\$6.62	Down \$0.35 ½	\$6.72	Down \$0.35
Minneapolis DNS	\$8.46	Up \$0.08 ½	\$8.39	Up \$0.05 ½

**CORN** – Corn began the week with impressive gains on Monday with support from lower than expected quarterly stocks reported the previous Friday that seems to be validated by strong cash basis. A surge higher in soybeans also provided a spillover boost. Corn continued to post modest gains on Tuesday, overcoming weaker outside markets, including a higher dollar, lower energies and worries about declining economic growth prospects in China. The positive tone was marked by a slower than expected corn planting pace of 3%. Corn prices turned modestly lower on Wednesday but strong cash basis helped trim losses resulting from negative outside market influences. Corn finished with modest gains on Thursday, boosted by stronger than expected weekly export sales and continuing strong cash basis and slow producer selling but gains were limited by positioning ahead of the three-day weekend and uncertainties about next Tuesday's monthly S&D report. **May 2012 corn futures contract closed Thursday, 04/05/12, at \$6.58 ¼, up \$0.14 ¼ and the July 2012 contact closed at \$6.52 ¼, up \$0.09 for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil prices turned highly volatile this week, hitting a 7-week low by midweek... Monday saw impressive gains of \$2.21 to close at \$105.23 with support from better than expected US manufacturing data and shipping delays from two key North Sea pumping locations. But Tuesday and Wednesday brought sharp losses – closing down \$1.22 and \$2.54 respectively - under pressure from global equities sell off and higher U.S. dollar. A much larger than expected weekly inventory report also added to the bearish tone on Wednesday which saw prices hit a fresh 7-week low. DOE reported crude oil stocks increased by an unexpected 9.01 million bbls last week, compared to an expected build of 2.5 million bbls. Distillate stocks were unchanged for the week, compared to an expected draw of 500,000 bbls, while gasoline inventories fell by 1.5 million bbls, compared to an expected decline of 1.4 million bbls. **Crude oil prices moved higher on Thursday, closing up \$1.84 to \$103.31 on support from news of explosions at two pipelines that transport crude oil between Iraq and Turkey stocked supply concerns.**

**U.S. WEATHER / CROP WATCH – Midwest** – Mostly dry conditions with showers centered on the Ohio River Valley. The 6-10 and 8-14 day outlook show warm trend continuing in the west and cooler trend in eastern edge. **A frost/freeze warning was issued for mid to late next week** for the Upper Midwest, which could damage early planted corn and some winter wheat crops. **Northern Plains** – Remained mostly dry but chances for beneficial moisture improve in the 6-10 day outlook. **Central/Southern Plains** – Mostly dry conditions persisted but western Kansas received beneficial moisture from storms that moved into the Eastern Plains. **Pacific Northwest** – mostly dry conditions this week but a series of storms are expected to move eastward through this region next week.

**INTERNATIONAL WEATHER / CROP WATCH -**

- **Canada** – Recent showers have replenished soil moisture, however about one-third of the Prairie grain region remains unfavorably dry ahead of spring planting.
- **Brazil/Argentina** – Showers covered southern and western Brazil, favoring second crop corn but central production remained mostly dry which is likely to lower yield potential in that region. Argentina saw unseasonably cool weather which slowed development of late planted corn and soybeans but no freeze damage was reported.
- **Europe** – After an exceptionally dry March, key winter wheat areas received some beneficial moisture this week, including parts of Spain, Italy, France, Northern German and UK. More moisture is in the forecast for next week.
- **Black Sea Region** – Locally heavy rain and snow blanketed Ukraine and Russia halting fieldwork but replenishing soil moisture.
- **Northern Africa** – Beneficial showers covered parts of Morocco and Algeria, favoring reproductive winter grains, although some yield losses are already certain in Morocco.
- **Middle East** – Plentiful moisture helped maintain favorable growing conditions for this region.
- **China** – The North China Plains experienced mostly warm dry weather with showers confined to the southern fringes of the winter wheat region. China’s wheat crop condition remained stable for now, but showers will be needed by the end of the month to avoid yield losses.

**USDA Crop Progress / Condition Report, April 2, 2012**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	8% planted	NA	2%	4%			
<b>ID barley</b>	<b>13% planted</b>	<b>NA</b>	<b>6%</b>	<b>8%</b>			
US spring wheat	8% planted	NA	1%	2%			
<b>ID spring wheat</b>	<b>12% planted</b>	<b>NA</b>	<b>5%</b>	<b>12%</b>			
US winter wheat					58%	NA	37%
<b>ID winter wheat</b>					<b>85%</b>	<b>NA%</b>	<b>87%</b>
Corn	3% planted	NA	2%	2%			