

Idaho Grain Market Report, September 27, 2012

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 26, 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) \$13.00 (6-R) \$13.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$12.75	(2-R) \$12.60-\$13.00 (6-R) \$12.60	\$7.90	\$8.11	\$8.39
Blackfoot / Pocatello	\$12.91	(2-R) \$13.00 (6-R) \$13.00	\$7.90	\$8.29	\$8.57
Grace / Soda Springs	\$11.30	(2-R) NQ (6-R) NQ	\$7.60	\$7.84	\$8.50
Burley / Rupert	\$11.25	(2-R) \$12.60 (6-R) \$12.60	\$7.59	\$7.82	\$8.21
Hazelton					
Twin Falls / Eden / Buhl	\$12.00-\$13.40	(2-R) NQ (6-R) NQ	\$7.30-\$7.50	NQ	NQ
Weiser	\$12.50	(2-R) NQ (6-R) NQ	\$7.66	NQ	NQ
Nez Perce / Craigmont	\$10.85	(2-R) \$10.85 (6-R) \$10.85	\$8.09	\$8.78	\$9.24
Lewiston	\$11.10	(2-R) \$11.10 (6-R) \$11.10	\$8.28	\$8.97	\$9.43
Moscow / Genesee	\$10.90-\$12.00	(2-R) \$10.90 (6-R) \$10.90	\$8.05-\$8.75	\$8.74-\$9.48	\$9.20-\$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	Oct \$8.50-\$8.75 Feb \$8.85-\$9.00	Oct \$9.39 ½ - \$9.44 ½ Feb \$9.71 ½ - \$9.76 ½	Oct \$9.79 ½ - \$9.94 ½ Feb \$10.12 ¾-\$10.22 ¾
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$11.65	NQ	NQ	\$7.75	\$8.10	\$8.70
Great Falls	\$8.00-\$12.00	NQ	\$12.50	NQ	\$7.82-\$8.16	\$8.17-\$8.33
Minneapolis	\$11.15	NQ	\$14.58	NQ	\$9.24 ½ (12%)	\$9.99 ½

Market trends this week

BARLEY – Local barley prices were mixed this week, ranging from 35 cents lower to 30 cents higher in southern Idaho and no change reported in northern Idaho. USDA reported that there were no barley export sales last week; however export shipments totaled .2 TMT for South Korea.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from 5 to 30 cents higher; HRW ranged from 11 cents lower to 1 cent higher; and DNS ranged from 2 to 4 cents lower. USDA reported wheat export sales last week were within trade expectations at 426 TMT which was down 13% from the previous week and 12% from the prior 4-week average. But the cumulative wheat export sales tally shows that US sales are lagging pace at 39% of the yearly estimate, compared to 5-year average of 53%. Export shipments last week totaled 542.3 TMT, down 30% from the previous week and 10% from the prior 4-week average.

Wheat Competitor/Buyer News – Egypt was back in the market this week, despite recent statements that they had covered nearby needs, buying 300 TMT of wheat from France and Romania. Reports indicate that Iran has purchased 1 MMT of wheat in recent days from the EU, Australia and Russia. The Russian Deputy Prime Minister restated this week that his country would NOT implement export restrictions this year and that total grain exports would likely tally 12 MMT,

including 9 MMT wheat. Some sources indicate that Russia may have already sold about 7 MMT of wheat. Iraq tendered for 50 TMT and Syrian for 100 TMT of wheat this week.

CORN –Net corn export sales last week plummeted to a marketing year low and were well below trade expectations, coming in at .4 TMT for MY 2012/13. However cumulative corn export sales aren't running that far behind normal pace at 32% compared to 34% for 5-year average. Corn export shipments last week totaled 679.6 TMT, 8% below the previous week.

Ethanol corn usage – DOE's Energy Information Agency reported that U.S. ethanol production fell last week to 809,000 bbls per day, down 3% from the previous week and down 3% from the same period a year ago. Corn used for ethanol last week totaled 85 million bu, slightly below the pace needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

Corn Competitor/Buyer News – Reports today that three North Carolina livestock companies have signed a deal to import 750 TMT of Brazilian corn for delivery into the southeastern U.S. during the next 6 months. The Rosario Grain Exchange is projecting Argentine corn plantings will fall 10% this year to 4 million hectares. Earlier this month the Buenos Aires Grain Exchange projected their corn area would decline to 3.4 million hectares. South Korean feed millers stepped up their corn purchases this week, passing on feed wheat offers, with both US and South American origins. This could be a sign that Australian feed wheat supplies are tightening and that Asian buyers will have to resume corn purchases, turning around the recent dramatic downtrend in corn imports.

Futures market activity this week

WHEAT – Wheat settled lower on Monday but managed to pull off of session lows in choppy trading that was dominated but negative outside market news and weather forecasts showing improving chances for rain across the Western Plains and parts of Australia. Tuesday saw further weakness as commodity and outside markets drifted lower in a lack of fresh supportive news and elevated investor uncertainties. Wheat prices fell double digits on Wednesday in a commodity wide sell-off sparked by renewed concerns about declining global economic growth prospects and a rush back to the dollar as a safe haven investment. Wheat markets extended their losses today (Thursday), under pressure from good rainfall across some key winter wheat growing areas, month-end profit-taking and position squaring ahead of tomorrow's quarterly stocks and small grains production report. **Wheat market closes on Thursday, 09/27/12 ...**

	Dec 2012	Weekly Summary	Mar 2013	Weekly Summary
Chicago	\$8.55 ½	Down \$0.41 ¾	\$8.68 ¼	Down \$0.39 ¾
Kansas City	\$8.78 ¼	Down \$0.48	\$8.90 ½	Down \$0.47
Minneapolis DNS	\$9.14 ¼	Up \$0.43 ½	\$ 9.22	Down \$0.43 ¼

CORN – Corn traded sideways to slightly lower on Monday with pressure from good harvest weather and a higher dollar and lower energies. Prices continued to chop modestly lower on Tuesday in spillover pressure and positioning ahead of Friday's quarterly stocks report. Prices plummeted on Wednesday as a combination of negative technicals and profit-taking triggered sell-stop losses. Corn posted moderate losses today (Thursday) under pressure from demand worries that were reinforced by a poor export sales combined with weak technicals, which sparked continued fund long liquidations. Positioning ahead of tomorrow's key quarterly stocks report also was a significant factor. **Dec 2012 corn futures contract closed Thursday, 09/27/12, at \$7.16 ¼, down \$0.32 and the Mar 2013 contact closed at \$7.19 ½, down \$.31 ½ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices traded in a narrow channel this week as outside market news remained mixed but mostly negative. Crude posted nearly a \$1 decline on Monday – closing just under \$92 - with pressure from more negative economic news from Europe and China overshadowing Middle East geopolitical risks. Prices continued to chop lower on both Tuesday and Wednesday – **dipping below \$90/bbl for the first time since in 8 weeks** - on renewed worries about eurozone debt problems and stalled global economic growth. DOE's weekly crude oil inventory report was mostly bullish, showing a bigger than expect decline in crude, distillates and gasoline stocks. Crude oil stocks fell by 2.45 million bbls, compared to an expected increase of 1.9 million bbls; distillates fell by 0.5 million bbls, compared to an expected increase of 0.5 million bbls; and gasoline stocks declined by 0.5 million bbls, compared to an expected increase of 0.5 million bbls. **Crude oil staged an upside recovery today – closing up \$1.87 to \$91.85 – boosted by improved risk appetite, hopes for more Chinese economic stimulus and a lower dollar.**

U.S. WEATHER / CROP WATCH –

Is El Nino weather pattern already fading? Recent signs of cooling in the Pacific may signal that we are moving from a weak El Nino to a neutral phase which raises more questions about Southern Hemisphere production prospects. The most recent U.S. Drought Monitor (below) shows that U.S. conditions have not eased substantially since the record-breaking summer drought. More than 65% of the country remains in some form of drought today.

Midwest – Last weekend brought favorable harvest weather, followed by more good harvest weather through much of this week, except for parts of south central and eastern Corn Belt where rains slowed in parts of IL, IN and OH. The

extended outlook calls for sunny dry conditions which should accelerate harvest across the Midwest.

Winter wheat planting – A band of showers moved from the Southern Plains (Oklahoma, eastern Kansas) into the eastern Ohio River Valley, bringing substantial relief to some winter wheat growing areas. However, parts of the Pacific Northwest and Upper Midwest remain abnormally dry for this time of year and winter wheat seeding pace has slowed.

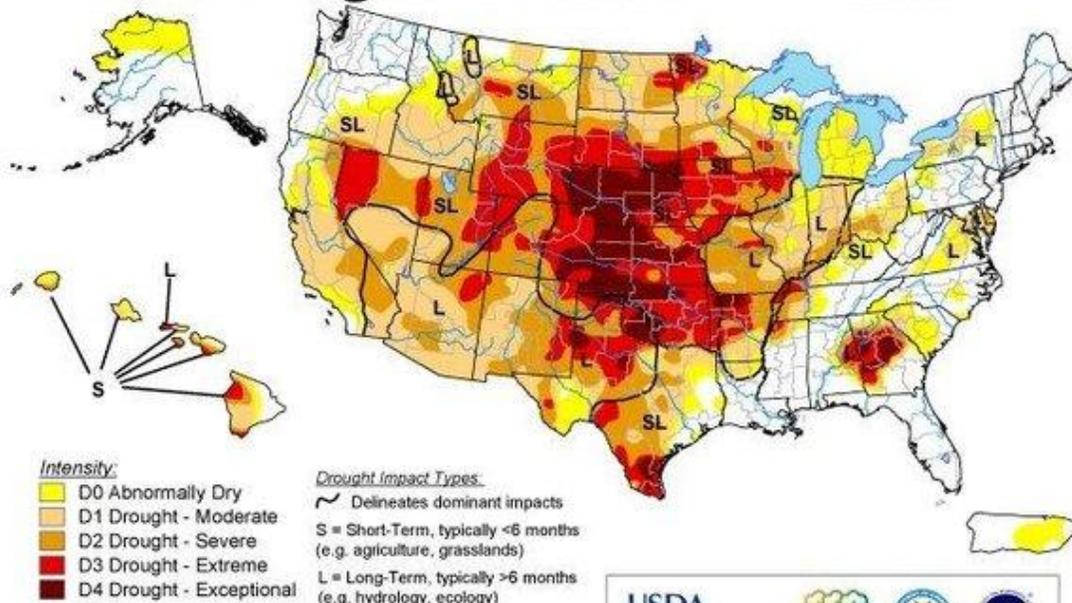
INTERNATIONAL WEATHER / CROP WATCH -

- **Argentina** – Frost this week was not expected to have damaged winter grains.
- **Australia** – Most grain areas remain abnormally dry, although Western Australia received some light showers this week and storms were moving eastward with good chances of better coverage in southeastern production areas.

USDA Crop Progress / Condition Report, September 24, 2012

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	25% planted	11%	22%	27%			
ID winter wheat	28% planted	6%	27%	34%			
Corn	88% mature 39% harvested	76% 26%	58% 12%	57% 13%	24% good/excellent 51% P/VP	24%	52%

U.S. Drought Monitor September 25, 2012
Valid 7 a.m. EDT



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

<http://droughtmonitor.unl.edu/>



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