

Idaho Grain Market Report, August 8, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 7, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.

<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>			
Ashton	NQ	(2-R) \$12.00 (6-R) \$12.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$10.50	(2-R) \$12.50-\$12.92 (6-R) \$12.92	\$6.20	\$6.42	\$6.80
Blackfoot / Pocatello	\$9.16	(2-R) \$12.00 (6-R) \$12.00	\$6.00	\$6.76	\$7.11
Grace / Soda Springs	\$7.85	(2-R) NQ (6-R) NQ	\$6.10	\$6.55	\$7.09
Burley / Rupert	\$9.75-\$10.00	(2-R) \$12.92 (6-R) \$12.92	\$6.25-\$6.28	\$6.44	\$6.96
Hazelton					
Twin Falls / Eden / Buhl	\$8.90	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	\$9.83	(2-R) NQ (6-R) NQ	\$6.20	NQ	NQ
Nez Perce / Craigmont	\$8.20	(2-R) \$8.20 (6-R) \$8.20	\$6.45	\$7.29	\$6.90
Lewiston	\$8.70	(2-R) \$8.70 (6-R) \$8.70	\$6.70	\$7.54	\$7.81
Moscow / Genesee	\$8.20-\$8.75	(2-R) \$8.20 (6-R) \$8.20	\$6.47-\$6.61	\$7.31-\$7.42	\$7.58-\$7.67

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	Aug NC \$7.20-\$7.25 Dec \$7.30-\$7.31 ¼	Aug NC \$7.99-\$8.15 Dec \$8.11 ½-\$8.17 ½	Aug NC \$8.31¼-\$8.36¼ Dec \$8.40 ½-\$8.54 ½
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$8.15	NQ	NQ	\$6.40	\$6.85	\$7.61
Great Falls	\$8.50-\$9.00	NQ	\$12.00	NQ	\$6.73-\$6.87	\$7.15-\$7.18
Minneapolis	\$8.85	NQ	\$12.81	NQ	\$7.79 (12%)	\$8.26 ¼-\$8.36 ¼

Market trends this week

BARLEY – Local barley prices were mostly lower again this week with southern Idaho locations reporting no change to \$1.00 lower and northern Idaho prices reported \$.50 to \$.85 lower. USDA reported that there were no barley export sales or shipments last week.

WHEAT – Local wheat prices were mixed again this week: SWW ranged from 5 to 24 cents lower; HRW ranged from 12 cents higher to 2 cents lower; and DNS ranged from 1 cent higher to 6 cents lower. USDA reported wheat export sales last week were within trade expectations at 726.2 TMT which was up 22% from the previous week, however it was down 22% from the prior 4-week average. Cumulative wheat export sales now reached 46.5% of the USDA estimate for MY 2013/14 compared to a 5-year average of 34.5%. Wheat export shipments last week were 773.4 TMT, up 23% from the previous week and 17% from the prior 4-week average.

CORN - Corn export sales last week came in at 511 TMT (290.1 TMT for MY 2012/13 and 220.9 TMT for MY 2013/14). Cumulative corn export sales for new crop have now reached 29% of the USDA estimate for the new marketing year compared to a 5-year average of 20%. Corn export shipments last week were reported at 430.4 TMT, up 31% from the previous week and 39% from the prior 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production last week increased by 21,000 bbls to 853,000 bbls, up 2.5% from previous week and up 4.4% from last year. Corn used for ethanol totaled 89.6 million bu, **short of the 103 million bu pace needed to reach USDA estimate of 4.6 billion bu.**

Corn Competitor/Buyer News – China approved the first cargo of GMO corn from Argentina.

Futures market activity this week

Global macroeconomic trends – Several indicators pointed to stabilizing global growth this week... Chinese nonmanufacturing index was better than expected along with German factory orders, UK industrial production and eurozone retails sales. .

U.S. economic indicators – U.S. ISM nonmanufacturing index beat expectations this week at 53.1, the best pace in 17 months.

WHEAT – Wheat markets closed sharply lower on Monday despite another week of strong export shipments. Profit-taking pressure was noted in wheat vs. corn spread trading on ideas that U.S. wheat was becoming noncompetitive in export and domestic feed channels. Wheat rebounded on Tuesday on spillover support from a lower dollar and some delays as winter wheat harvest moves north. Wheat futures closed lower on Wednesday under pressure from weaker outside markets. Wheat markets finished mixed today (Thursday) due to demand influences along with anticipation of Monday's of USDA monthly S&D report . **Wheat market closes on Thursday, 8/08/13 ...**

	<u>Sept 2013</u>	<u>Weekly Summary</u>	<u>Dec 2013</u>	<u>Weekly Summary</u>
Chicago SRW	\$6.41 ¼	Down \$0.19 ¼	\$6.53 ¾	Down \$0.19 ¼
KC HRW	\$7.02	Down \$0.04 ¾	\$7.06 ¾	Down \$0.12
MGE DNS	\$7.33 ½	Down \$0.07 ¾	\$7.41 ½	Down \$0.08 ½

CORN – Corn posted moderate losses to start the week under the weight of another week of nonthreatening weather which continues to trigger long liquidations. Managed money is now heavily short (more than 108,000 contracts) and the Goldman Roll was set to begin mid week meaning funds will be move out of September into deferred contracts. Corn closed mixed on Tuesday with nearby modestly higher on concerns about tight old crop supplies and new crop continuing to fall under the weight of large crop expectations. Corn futures continued to bleed lower on Wednesday under profit-taking pressure ahead of USDA monthly S&D report. Corn tried to follow outside markets higher today (Thursday) but was unable to follow-through thanks to demand news and continued anticipation of Monday's USDA monthly S&D report. **Corn futures contract closes on Thursday, 8/08/13 for Sept 2013 contract at \$4.87 ½, down \$0.04 ½ and the Dec 2013 contract at \$4.67, down \$0.09 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil began the week modestly lower but tumbled sharply on Tuesday on a combination of easing supply concerns and fears that the Federal Reserve will begin tapering their bond buying program as early as September based on favorable macroeconomic readings this week. DOE weekly inventory report showed crude oil stocks fell by 2.25 million bbls, compared to an estimated decline of 1.5 million bbls; distillates increased by 469,000 bbls and gasoline stocks increased by 135,000 bbls, compared to an expected decline of 500,000.

U.S. WEATHER / CROP PROGRESS – PNW – Hot and dry conditions persisted, promoting rapid grain maturation and harvest. Idaho showed 38% of its winter wheat was harvested vs. 15% on average. Conditions are expected to remain warm in the near-term outlook, except for the Pacific Coast. **Corn Belt / HRS spring wheat belt** – Cooler than normal temperatures persisted in many areas causing some concern about slowing crop development and fears of an early fall frost, but overall conditions remain quite favorable with chances good for another round of thunderstorms moving from Nebraska and Iowa eastward into the Ohio River Valley. About 30% of the corn crop is considered to be on the dry side but could see beneficial showers this week. The Central Plains benefitted from cooler air and showers across the northern and eastern edges, while the Southern Plains turned hot and dry again. The 6-10 day outlook calls for cooler than normal temperatures and mostly wet conditions, but a warming trend is starting to show up in some maps toward the end of the 2-week period.

USDA Crop Progress / Condition Report, August 5, 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	4% harvested	NA	35%	11%	65%	68%	61%
ID barley	7% harvested	4%	15%	6%	67% g/ex	69%	
US spring wheat	97% headed	94%	100%	98%	68%	68%	63%
ID spring wheat	3% harvested	1%	9%	3%	69% g/ex	67%	
US winter	87%	81%	89%	86%			

wheat	harvested						
ID winter wheat	38%	12%	26%	15%	80%		
Corn	86% silking 18% dough	71% 8%	98% 58%	89% 31%	64%	63%	23%

INTERNATIONAL WEATHER / CROP PROGRESS -

- **Canada** – Turned cooler and drier with cereals advancing to milk stage. Grain yields are expected to be 10-20% above long-term averages.
- **Europe** – Hot weather is accelerating small grain harvest and stressing summer crops in some areas. Recent showers across England have boosted soil moisture.
- **Black Sea Region** – Hot and dry conditions persisted in Eastern Ukraine into Southern Russia, stressing reproductive summer crops. But the West Central region received beneficial showers. Russia reports about 40% of its grain is harvested, with wheat crop output now pegged at 52 MMT (USDA 54 MMT).
- **China** – North China Plain continued to receive heavier than normal rainfall saturating fields.
- **Brazil / Argentina** – Brazil saw mostly favorable conditions for second crop corn harvest to advance, but the 6-10 day outlook shows another frost warning for the wheat region. Argentina's main wheat growing region turned unfavorably dry, with the 6-10 day outlook remaining mostly dry after seeing little rain in the month of July.
- **Australia** – Western Australia has been unfavorably dry with yields expected to fall as much as 15% while rest of the country has seen nearly ideal growing conditions with above average spring rainfall.