

# Idaho Grain Market Report, August 22, 2013

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, August 21, 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	\$9.00	(2-R) \$12.50-\$12.92 (6-R) \$12.92	\$6.00	\$6.45	\$6.89
Blackfoot / Pocatello	NQ	(2-R) \$12.00 (6-R) \$12.00	\$5.90	\$6.55	\$6.90
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	\$6.65	\$7.06
Burley / Rupert	\$8.75-\$10.00	(2-R) \$12.92 (6-R) \$12.92	\$6.16-\$6.20	\$6.51	\$7.00
Hazelton					
Twin Falls / Eden / Buhl	\$8.10	(2-R) NQ (6-R) NQ	\$5.85	NQ	NQ
Weiser	\$8.50	(2-R) NQ (6-R) NQ	\$6.20	NQ	NQ
Nez Perce / Craigmont	\$8.05	(2-R) \$8.05 (6-R) \$8.05	\$6.57	\$7.22	\$7.49
Lewiston	\$8.55	(2-R) \$8.55 (6-R) \$8.55	\$6.82	\$7.47	\$7.74
Moscow / Genesee	\$8.05-\$8.75	(2-R) \$8.05 (6-R) \$8.05	\$6.59-\$6.73	\$7.24-\$7.43	\$7.51-\$7.65

## 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 \$7.23 <sup>3</sup> / <sub>4</sub> - \$7.38 <sup>3</sup> / <sub>4</sub> Dec \$7.29 <sup>1</sup> / <sub>4</sub> -\$7.45	Aug NC \$8.09 <sup>1</sup> / <sub>2</sub> - \$8.16 <sup>1</sup> / <sub>2</sub> Dec \$8.11 <sup>3</sup> / <sub>4</sub> -\$8.31 <sup>3</sup> / <sub>4</sub>	Aug NC \$8.28 <sup>3</sup> / <sub>4</sub> -\$8.45 <sup>3</sup> / <sub>4</sub> Dec \$8.40 <sup>3</sup> / <sub>4</sub> -\$8.55 <sup>3</sup> / <sub>4</sub>
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$8.30	NQ	NQ	\$6.34	\$6.90	\$7.66
Great Falls	\$7.00-\$9.00	NQ	\$11.50	NQ	\$6.82-\$6.83	\$6.92-\$6.98
Minneapolis	\$7.81	NQ	\$11.46	NQ	\$7.79 <sup>1</sup> / <sub>2</sub> (12%)	NQ

## Market trends this week

**BARLEY** – Local barley prices were mostly lower again this week with southern Idaho locations reporting no change to 50 cents lower and northern Idaho prices reporting no change to 25 cents lower. USDA reported that barley export sales totaled .2 TMT for South Korea last week, however there were no export shipments.

**Barley Competitor / Buyer News** – Stats Canada is projecting Canada's 2013 barley production at 8.8 MMT, up 12.4% from last year based on record average yield of 64 bpa.

**WHEAT** – Local wheat prices were mixed again this week: SWW ranged from no change to 12 cents higher; HRW ranged from 21 cents higher to 23 cents lower; and DNS ranged from 13 cent higher to 21 cents lower. USDA reported wheat export sales last week were on the low end of trade expectations at 494 TMT for MY 2013/14, up 1% from the previous week, but down 20% from the prior 4-week average. Cumulative wheat export sales now have reached 49% of the USDA estimate for MY 2013/14 compared to a 5-year average of 39%. Wheat export shipments last week were 871.3 TMT, up 23% from the previous week and 30% from the prior 4-week average.

**Wheat Competitor / Buyer News** - Stats Canada pegged the 2013 Canadian wheat crop at 30.56 MMT, up 12.9% and their largest wheat crop since 1991/92. French wheat crop is pegged at 37 MMT, higher than earlier forecasts. EU

approved 579 TMT of wheat for export this week, bringing their MY 2013/14 total wheat exports to 3.23 MMT, compared to 1.44 MMT in the previous year. Russian domestic wheat prices are rising on adverse weather conditions and strong export demand. It appears their exportable supply of quality wheat may be lower than earlier projected. Jordan bought 100 TMT of Ukrainian wheat this week.

**CORN** - Corn export sales were below trade expectations last week at 492.6 TMT (58.2 TMT for MY 2012/13 and 434.4 TMT for MY 2013/14). Cumulative corn export sales for new crop have now reached 34% of the USDA estimate for the new marketing year compared to a 5-year average of 23.5%. Corn export shipments last week were very slow at 173.5 TMT, down 54% from the previous week and 50% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production fell last week, after posting gains the two previous weeks, down 13,000 or 1.5% to 844,000, but up 2.6% from a year ago. Corn used for ethanol totaled 88.6 million bu, reaching a cumulative use for the marketing year of 4.35 billion bu, which is short of the **USDA estimate for the year of 4.65 billion bu.**

### Futures market activity this week

**Global macroeconomic trends** – Better than expected manufacturing data from China and the Eurozone this week signals renewed strength in the global economy. China's PMI index climbed 2.4 to 50.1, well above the expected 48.2. Eurozone PMI increased 1.2 to 51.7, above an expected 50.9.

**U.S. economic indicators** – Financial markets remained on edge this week ahead of the release of the Fed's FOMC meeting minutes which were expected to shed more light on the Fed's plans to begin tapering or reducing their monthly bond purchases which have helped maintain historically low short and long term interest rates. The minutes actually shed very little new light on the Fed's plans but reinforced Fed Chairman Bernanke's earlier announced timetable for reducing stimulus tied to job growth and inflation measures. The Conference Board's Index of Leading Indicators climbed 0.6% in July, better than expected and the most in 3 months, signaling recent improvements in the housing and job market may help spur faster economic growth in the second half of the year.

**WHEAT** – Wheat markets closed solidly higher on Monday, boosted by a strong export shipment pace and spillover support from corn and soybeans. Prices retreated on Tuesday as wheat markets encountered strong sell pressure into the close on spillover pressure and active spread trade. Wheat closed mixed to higher on Wednesday in lockstep with corn and beans, with the exception of spring wheat markets which pushed lower on pressure from the large Canadian crop estimate. Wheat markets finished moderately lower today (Thursday) in sync with corn and beans. **Wheat market closes on Thursday, 8/22/13 ...**

	<u>Sept 2013</u>	<u>Weekly Summary</u>	<u>Dec 2013</u>	<u>Weekly Summary</u>
Chicago SRW	\$6.30 ½	Down \$0.00 ½	\$6.40 ½	Down \$0.03
KC HRW	\$6.94 ¼	Down \$0.04	\$6.95	Down \$0.07 ¼
MGE DNS	\$7.19 ¼	Down \$0.18	\$7.26 ½	Down \$0.11 ¾

**CORN** – Corn prices surged double digits to start the week on a warmer and drier weather outlook, despite a disappointing export shipment report. Reports from the Pro Farmer annual crop tour also provided underlying support on ideas that the ECB yield potential, while good, may not be as great as expected by many analysts. Gains could not be sustained on Tuesday despite the short term bullish weather as the crop tour reported favorable yield potential across the Corn Belt. Concerns about hot and dry conditions propelled corn prices sharply higher again on Wednesday, although weather models remained mixed on rain potential into this weekend. Corn traded sharply lower today (Thursday) with Dec. falling the most under pressure from better than expected rainfall moving through NE and IA today. The nearby contract found support from the slow harvest pace in the southeast which is compounding a tight old crop supply situation. **Corn futures contract closes on Thursday, 8/22/13 for Sept 2013 contract at \$4.87 ½, up \$0.13¾ and the Dec 2013 contract at \$4.64 ½, up \$0.01 for the week.**

#### **OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** – Crude oil fell this week under the weight of long liquidation pressures sparked by diminished storm threats in the Gulf of Mexico, increased prospects for Libyan oil exports and concerns that the Fed would begin reducing monetary stimulus as early as September. DOE showed crude oil stocks fell by 1.428 million bbls last week, in line with expectations; distillates increased by 871,000 bbls, compared to an expected build of 1.0 million bbls; while gasoline stocks fell by 4.03 million bbls, compared to an expected decline of 1.5 million bbls. **Crude oil futures closed higher today (Thursday), closing back above \$105 on support from favorable manufacturing data from China and Europe.**

**U.S. WEATHER / CROP PROGRESS – PNW** – Hot and dry conditions persisted across this region, but a slightly cooling trend is in the short term outlook. **Corn Belt / HRS spring wheat belt** – After a dry weekend, conditions turned warmer and drier across much of the Midwest this week. About 35% of the Corn Belt is affected by dryness. A narrow band of showers moved through the northwestern Corn Belt, covering parts of NE, IA, MN and WI. The 6-10 day outlook calls for above normal temps across the Midwest and above normal precipitation across much of the northern and eastern corn

belts. **Central/Southern Plains** – A warmer and drier trend developed this week and is expected to extend into the next two weeks. Winter wheat planting conditions are mostly favorable across the region.

**USDA Crop Progress / Condition Report, August 19, 2013**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	35% harvested	17%	69%	36%	65%	66%	60%
<b>ID barley</b>	<b>53% harvested</b>	<b>31%</b>	<b>50%</b>	<b>27%</b>	<b>64% g/ex</b>	<b>67%</b>	
US spring wheat	18% harvested	6%	77%	38%	66%	66%	NA
<b>ID spring wheat</b>	<b>46% harvested</b>	<b>20%</b>	<b>44%</b>	<b>21%</b>	<b>64% g/ex</b>	<b>68%</b>	
US winter wheat	96% harvested	92%	97%	94%			
<b>ID winter wheat</b>	<b>81% harvested</b>	<b>65%</b>	<b>70%</b>	<b>55%</b>	<b>78% g/ex</b>		
Corn	52% dough 11% dented	32% 5%	87% 57%	65% 30%	61%	64%	23%

**INTERNATIONAL WEATHER / CROP PROGRESS -**

- **Canada** – Warmer temps this week are helping advance crop maturity, with increasing chances of precipitation next week.
- **Europe** – Small grain harvest advanced rapidly this week to near completion. Widely scattered showers across northern and western Europe helped bring relief to corn crops.
- **Black Sea Region** – Eastern Ukraine into southwestern Russia remained hot and dry, stressing summer crops, while central and eastern Russia experienced warm showery conditions favorable to advancing small grain crops.
- **China** – Excessive moisture has impacted about 20% of China’s northeastern corn growing region, while about 10% of the crop is too dry in the North China Plains. The near term outlook calls for drier conditions which should reduce the area at risk from saturated soils to about 10%.
- **Brazil / Argentina** – Timely rains continue to benefit Brazil’s main wheat growing region which is entering jointing and heading stage, while Argentina has trended mostly drier. Argentina’s main wheat belt picked up a few scattered showers this week but looks mostly dry for the next week.
- **Australia** – Rainfall was mostly confined to the southeastern grain belt this week. There were reports of possible minor frost/freeze damage in South Australian crops overnight. Recent dryness in Western Australia has prompted analysts to lower their wheat yield projection for this key growing region to 7.9 MMT from an earlier estimate of 8.8 MMT.

