

# Idaho Grain Market Report, November 21, 2013

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

**There will be NO Idaho Grain Market Report distributed on November 28, due to Thanksgiving. The Idaho Barley Commission extends warm holiday wishes to you and your families.**

**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, November 20, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.**

|                          | <u>Barley (Cwt.)</u> |  | <u>Wheat (bu.)</u> |               |               |
|--------------------------|----------------------|--|--------------------|---------------|---------------|
| Ashton                   | NQ                   | (2-R) \$10.00<br>(6-R) \$10.00         | NQ                 | NQ            | NQ            |
| Rexburg/ Ririe/ Roberts  | \$7.75               | (2-R) NQ<br>(6-R) NQ                   | \$6.15             | \$6.45        | \$6.91        |
| Idaho Falls              | \$7.85               | (2-R) \$11.50-\$12.00<br>(6-R) \$11.50 | \$5.95             | \$6.36        | \$7.00        |
| Blackfoot / Pocatello    | NQ                   | (2-R) \$10.00<br>(6-R) \$10.00         | \$6.25             | \$7.00        | \$6.95        |
| Grace / Soda Springs     | \$7.10               | (2-R) \$10.00<br>(6-R) \$10.00         | NQ                 | \$6.84        | \$7.09        |
| Burley / Rupert          | \$7.50-\$7.75        | (2-R) \$11.50<br>(6-R) \$11.50         | \$6.10             | \$6.47        | \$6.83        |
| Hazelton                 |                      | (6-R) \$11.50                          |                    |               |               |
| Twin Falls / Eden / Buhl | \$9.00               | (2-R) NQ<br>(6-R) NQ                   | \$5.70             | NQ            | NQ            |
| Weiser                   | NQ                   | (2-R) NQ<br>(6-R) NQ                   | NQ                 | NQ            | NQ            |
| Nez Perce / Craigmont    | \$6.05               | (2-R) \$6.05<br>(6-R) \$6.05           | \$6.40             | \$7.08        | \$7.48        |
| Lewiston                 | \$6.55               | (2-R) \$6.55<br>(6-R) \$6.55           | \$6.65             | \$7.33        | \$7.73        |
| Moscow / Genesee         | \$6.05-\$7.00        | (2-R) \$6.05<br>(6-R) \$6.05           | \$6.42-\$6.54      | \$7.10-\$7.24 | \$7.50-\$7.64 |

### Prices at Selected Terminal Markets, cash prices FOB

|             | #2 Feed<br>46 lbs. -- unit<br>trains barge | Single<br>rail cars-<br>domestic | Malting | #1 SWW                                     | #1 HRW<br>11.5% Protein                         | #1 DNS<br>14% Protein                          |
|-------------|--|----------------------------------|---------|--|---|--|
| Portland    | NQ   | NQ                               | NQ      | Nov \$7.05 ¼-\$7.07 ½<br>Mar \$7.24-\$7.32 | Dec \$7.92 ½ -\$7.97 ½<br>Mar \$8.01 ½-\$8.07 ½ | Dec \$8.27 ¾-\$8.37 ¾<br>Mar \$8.32 ¼-\$8.47 ¼ |
| Los Angeles | \$11.20                                    | NQ                               | NQ      | NQ   | NQ  | NQ   |
| Stockton    | NQ   | NQ                               | NQ      | NQ   | NQ  | NQ   |
| Tulare      | \$11.20                                    | NQ                               | NQ      | NQ   | NQ  | NQ   |
| Ogden       | \$7.50                                     | NQ                               | NQ      | \$6.55                                     | \$7.20  | \$7.55   |
| Great Falls | \$6.50-\$7.00                              | NQ                               | \$9.50  | NQ   | \$6.51-\$6.59                                   | \$7.01-\$7.04                                  |
| Minneapolis | \$7.19                                     | NQ                               | \$11.35 | NQ   | \$7.65 ½ (12%)                                  | \$8.27 ¾-\$8.62 ¾                              |

### Market trends this week

**BARLEY** – Local barley prices were mixed this week with southern Idaho locations reporting no change to 25 cents lower and northern Idaho reporting no change to 25 cents higher. USDA reported that barley export sales totaled 0.5 TMT for Taiwan, and export shipments totaled 0.4 TMT for South Korea.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 25 cents lower to 10 cents higher; HRW ranged from 14 to 28 cents lower; and DNS ranged from 27 cents lower to 17 cents higher. USDA reported wheat export sales last week were above trade expectations at 618.1 TMT. Cumulative wheat export sales have reached 72.9% of the year's projection compared to 61.9% on average. Wheat export shipments last week totaled 551.5 TMT, with Brazil, Nigeria, China, Indonesia and Japan being the main destinations.

**Wheat Competitor/Buyer News** –The European Union approved licenses to export 581 TMT of wheat this week, bringing their cumulative wheat exports to 10.6 MMT this marketing year compared to 6.8 MMT for the same period a year ago. The Rosario Grain Exchanged lowered its Argentine wheat production estimate to 9.1 MMT, compared to USDA’s latest estimate of 11.0 MMT. Australian Crop Forecasters reduced their Australian wheat production estimate from 24.9 to 24.7 MMT this week. Indian exporters bid to export 340 TMT of wheat after the government cut their floor price from \$300 to \$260/MT. Egypt bought 120 TMT of Russian wheat and 110 TMT of U.S. SRW wheat this week.

**CORN** – Corn export sales were once again well above trade expectations last week at 982.7 TMT (945.1 for MY 2013/14 and 37.6 TMT for MY 2014/15). Cumulative corn export sales have now reached 68.6% of the year’s projection compared to 49.2% on average. Corn export shipments also were strong at 756.3 TMT, with China, Mexico, Japan, Colombia and El Salvador as the leading destinations.

**Ethanol corn usage** – DOE’s Energy Information Agency reported U.S. ethanol production fell by 23,000 bpd last week but remained solid at 904,000 bpd, down 2.5% from the previous week but up 11.5% from a year ago. Corn used for ethanol totaled 94.9 million bu, above the pace needed to meet the USDA projection of 4.9 billion bu for the marketing year.

**Corn Competitor/Buyer News** – South American weather for corn planting and emergence has improved in recent weeks. South Korea bought 136 TMT of U.S. corn this week.

**Futures Market trends this week**

**U.S. economic news – Economic indicators were mixed this week...**NAHB Housing Market Index was unchanged from last month at 54, but lower than the August level of 58. A housing market slowdown was further confirmed on Wednesday by a bigger than expected decline in existing home sales – down 3.2% compared to an expected -2.7% and the previous month’s -1.9%. Retail sales, however, were better than expected last month at +0.4% but still relatively weak leading into the holiday shopping season. Inflation also remains tame, with the CPI down 0.1% and core CPI (excluding food and energy) at only +0.1%. This low inflation is a strong signal to the Federal Reserve there is NO urgency to begin tapering their aggressive monthly bond buying program, as evidenced in the FOMC’s meeting minutes released on Wednesday which indicates that the Fed will need a “preponderance of data” to justify easing back on their quantitative easing purchases. Fed Chairman Ben Bernanke also emphasized that the fed funds borrowing rate is likely to remain near zero for an extended period of time AFTER they end their bond buying program. Weekly first time unemployment claims continued to tick downward this week, falling 21,000 to 323,000.

**WHEAT** – Wheat markets began the week fractionally lower on spillover weakness from corn after opening higher on support from solid export sales reports. Wheat rebounded higher on Tuesday in late session fund buying. An oversold condition and spillover support from corn were noted. Wheat eased back on Wednesday despite an early boost from a USDA announcement of a surprise sale of 110 TMT of SRW wheat to Egypt. Wheat closed narrowly mixed today (Thursday), with support from strong export sales but hampered by a lack of new buying interest. **Wheat market closes on Thursday, 11/21/13 ...**

|             | <b>Dec. 2013</b> | <b>Weekly Summary</b> | <b>Mar. 2014</b> | <b>Weekly Summary</b> | <b>Dec. 2014</b> | <b>Weekly Summary</b> |
|-------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| Chicago SRW | <b>\$6.48 ¾</b>  | <b>Up \$.04 ¼</b>     | <b>\$6.54 ¾</b>  | <b>Up \$.00 ¼</b>     | <b>\$6.74 ½</b>  | <b>Down \$.01</b>     |
| KC HRW      | <b>\$6.94 ¾</b>  | <b>Down \$.03 ½</b>   | <b>\$6.94 ¾</b>  | <b>Down \$.05 ½</b>   | <b>\$7.06 ¾</b>  | <b>Down \$.04 ½</b>   |
| MGE DNS     | <b>6.96 ¼</b>    | <b>Down \$.00 ½</b>   | <b>\$7.05 ¼</b>  | <b>Down \$.01 ¼</b>   | <b>\$7.29 ¾</b>  | <b>Down \$.04 ½</b>   |

**CORN** – Corn prices closed 10 cents lower to start the week – hitting the lowest corn prices since July 2010 – on follow-through selling sparked by EPA’s announcement on Friday they were proposing to scale back the Renewable Fuels blending mandate in 2014. A report that China has rejected a cargo of U.S. corn for unapproved GMO presence added to the weak tone. In Turnaround Tuesday, corn prices rebounded nicely on technical support from an extremely oversold condition and fresh fund buying. Corn prices finished narrowly mixed on Wednesday in mostly quiet trade as gains remain limited by a huge corn harvest, favorable South American corn weather and ethanol demand concerns. Corn posted solid gains today (Thursday) buoyed by technical buying on oversold conditions, strong export sales and a surge in ethanol futures. **Corn futures contract closes on Thursday, 11/21/13 for Dec. 2013 contract at \$4.23, up .01, Mar. 2014 contract closed at \$4.39½, down \$.01 and the Dec. 2014 contract closed at \$4.57 ¾, down \$.02 for the week.**

**OTHER MAJOR FACTORS TO WATCH –**

**CRUDE OIL** –Crude oil chopped around a very narrow trading range this week, with some underlying support from

ambitious Chinese economic reforms offsetting a weaker dollar and optimism that a deal was still possible on Iranian nuclear enrichment as negotiators return to the table this week in Geneva. DOE's weekly inventory report for last week showed crude oil stocks increased only modestly ...up 375,000 bbls, compared to an expected build of 1.0 million bbls **but the 9<sup>th</sup> consecutive weekly build**; distillates fell sharply by 4.8 million bbls, compared to an expected decline of 290,000; and gasoline inventories fell by 345,000 bbls, in line with expectations. **Crude oil futures rebounded today – with the January contracting trading \$1.59 higher to close at \$95.44/bbl- on signs that the Iranian nuclear talks might not conclude with an agreement.**

**U.S. WEATHER / CROP PROGRESS – PNW** – Cold and wet this week. **Midwest** – Severe weekend weather unleashed a series of deadly tornados across Illinois and Indiana last Sunday, but conditions turned dry and cool to start this week. By mid-week another storm system brought snow and rain to a wide belt stretching from the Upper Midwest into Kansas, Oklahoma and Texas. This was expected to be followed by an Arctic cold air mass dipping downward from Canada. The 6-10 day outlook calls for drier conditions across the Central U.S. into the Eastern Belt.

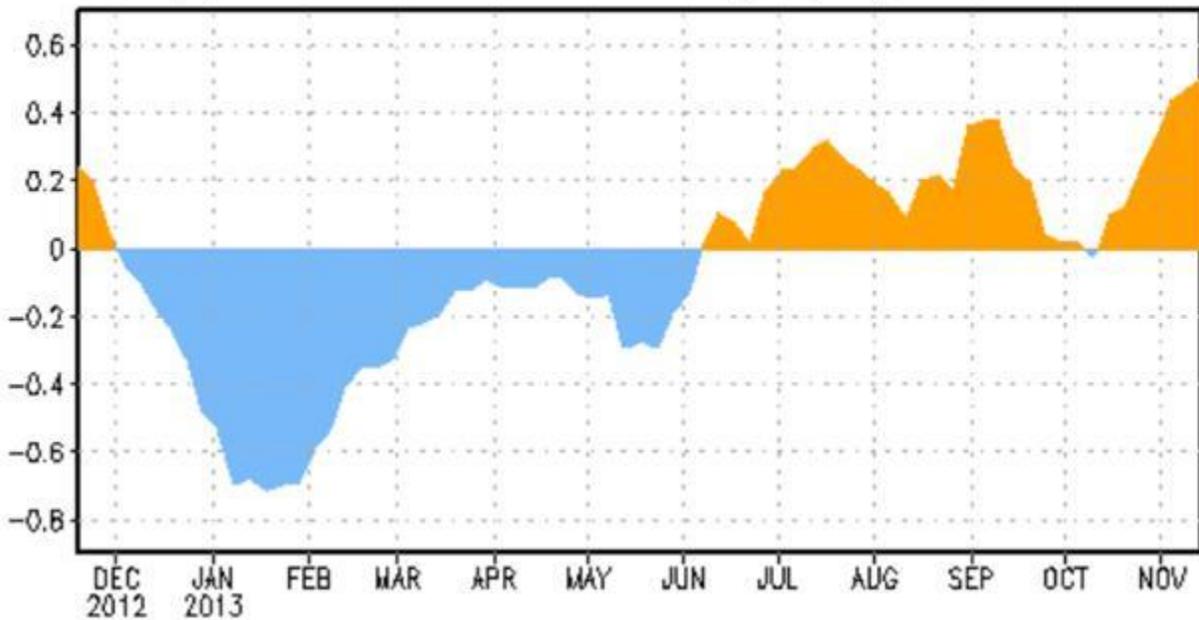
**USDA Crop Progress / Condition Report, November 18, 2013**

| Crop            | % Progress         | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|-----------------|--------------------|---------------|---------------|----------------|-----------------------------------|---------------|---------------|
| US winter wheat | 89% emerged        | 84%           | 83%           | 85             | 63%                               | 65%           | 34%           |
| ID winter wheat | <b>95% emerged</b> | <b>86%</b>    | <b>94%</b>    | <b>95%</b>     | <b>92%</b>                        | <b>90%</b>    |               |
| Corn            | 91% harvested      | 84%           | 99%           | 86%            |                                   |               |               |

**Emergence of El Nino Weather Cycle?** There are definite signs that a weak El Nino global weather pattern is emerging, including strengthening of the subtropical Jet Stream and very wet forecast for the Central U.S. Equatorial eastern Pacific Ocean sea surface temperatures are not 0.5 degrees C above normal, signaling a definite warming trend. The NOAA Climate Prediction Center is predicting that El Nino may emerge by spring. **El Nino is usually NOT favorable for snowpack accumulation in the U.S. Intermountain Region.**

**Equatorial Upper Ocean Heat Content Increasing in November**

**EQ. Upper-Ocean Heat Anoms. (deg C) for 180-100W**



**INTERNATIONAL WEATHER / CROP PROGRESS -**

**Argentina** – Heavy rains covered northern production areas this week where wheat harvest is active but southern areas received only light amounts.

**Australia** – Eastern and western production areas received unfavorable shower activity this week, disrupting harvest in some areas. Reports indicate that quality may be affected by frost damage in the east and wet weather in the west. Southern areas expect to see light rain coverage next week.

**Idaho Ag Market Outlook Seminars** – sponsored by University of Idaho Extension

**Burley, Dec 11, 2013, Burley Inn**

**Idaho Falls, Dec 12, 2013, Hotel on the Falls**

|             |  |
|-------------|--|
| 8:30—9:00   | Registration   |
| 9:00—9:45   | Global Ag Outlook—Dr. Cathy Roheim, U of I                     |
| 9:45—10:15  | U.S. Economic Outlook—Doug Robison, NW Farm Credit             |
| 10:15—10:30 | Break  |
| 10:30—11:15 | Idaho Ag Outlook – Dr. Garth Taylor, U of I                    |
| 11:15—12:00 | Input Costs—Paul Patterson, U of I                             |
| 12:00—12:45 | Lunch  |
| 12:45—1:30  | Grain Situation & Outlook—Kelly Olson, Idaho Barley Commission |
| 1:30—2:15   | Potato & Sugar Beet Outlook—Paul Patterson, U of I             |
| 2:15—3:00   | Beef & Cattle Outlook—Casey Bieroth, AgriBeef                  |
| 3:00—3:30   | Dairy & Alfalfa Situation & Outlook—Wilson Gray, U of I        |

**Cost:** \$20 per person includes lunch and materials. **Registration:** Please call the Teton County Extension Office (208) 354-2961 by December 9<sup>th</sup>.