

Idaho Grain Market Report, Feb. 28, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Feb. 27, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.

<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>			
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	\$12.25	(2-R) \$13.25 (6-R) \$13.25	\$7.26	\$7.01	\$7.63
Blackfoot / Pocatello	\$11.87	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.13	\$7.57
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert	\$12.25	(2-R) \$13.25 (6-R) \$13.25	\$7.82	\$7.00	\$7.70
Hazelton					
Twin Falls / Eden / Buhl	\$12.45	(2-R) NQ (6-R) NQ	\$7.51	NQ	NQ
Weiser	\$14.50	(2-R) NQ (6-R) NQ	\$7.88	NQ	NQ
Nez Perce / Craigmont	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$8.04	\$8.11	\$8.74
Lewiston	\$10.85	(2-R) \$10.85 (6-R) \$10.85	\$8.23	\$8.30	\$8.93
Moscow / Genesee	\$10.65-\$12.00	(2-R) \$10.65 (6-R) \$10.65	\$8.00-\$8.62	\$8.07-\$8.81	\$8.70-\$9.38

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	Mar \$8.57-\$8.63 Aug NC \$7.54 ¼ - \$7.69 ¼	Feb \$8.57 ¾-\$8.72 ¾ Aug NC \$8.10 ¼ - \$8.30 ¼	Feb \$9.12 ½-\$9.36 ½ Aug NC \$8.86-\$8.96
Los Angeles	\$15.00	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.00	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.00	NQ	NQ	\$8.20	\$7.75	\$8.17
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$6.91-\$7.39	\$7.72-\$8.06
Minneapolis	\$10.73	NQ	\$14.69	NQ	\$7.94 ¼ (12%)	\$9.06 ½ - \$9.11 ½

Market trends this week

BARLEY – Local barley prices were mixed this week with no change to \$1.56 higher reported in southern Idaho and no change to \$.15 lower reported in northern Idaho. USDA reported barley export sales of 1 TMT for Taiwan last week and export shipments totaled .1 TMT also for Taiwan.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from 59 cents lower to 5 cents higher; HRW ranged from 21 to 50 cents lower; and DNS ranged from 22 cents lower to 10 cents higher. USDA reported wheat export sales last week were on the low end of trade expectations at 524.9 TMT (372.6 TMT for MY 2012/13 and 152.3 TMT for 2013/14), down 47% from the previous week and 23% from the prior 4-week average. Cumulative wheat export sales now total 79.5% of the USDA estimate for the marketing year, compared to a 5-year average of 86%. Export shipments totaled 584.7 TMT, up 13% from the previous week and 8% from the prior 4-week average.

Wheat Competitor/Buyer News – The EU granted licenses for the export of 17.5 TMT of wheat this week, bringing their cumulative exports to 13.1 MMT, compared to 9.1 MMT for the same period a year ago.

CORN – Corn export sales last week were above trade expectations, coming in at 512.6 TMT (302.6 TMT for MY 2012/13 and 210 TMT for 2013/14), down 16% from the previous week, however it was up 28% from the prior 4-week average.

Cumulative corn export sales now total 64% of the USDA estimate for the marketing year, compared to a 5-year average of 72%. Export sales need to total 303 TMT each week to meet the USDA projection for the year. Export shipments last week totaled 296.3 TMT, up 15% from the previous week, however it was down 19% from the prior 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported another uptick in weekly U.S. ethanol production to 812,000 bbls per day, up 2.9% from the previous week but down 10% from a year ago.

Corn Competitor/Buyer News – Argentine corn crop is now pegged at 25.5 MMT, compared to USDA's estimate of 27.0 MMT earlier this month. Clearly their planted area increased significantly this year in response to record high prices, but a large portion of this crop pollinated under severe moisture stress which will affect yields. India is offering new crop corn into Southeast Asian destinations at a reported \$300/MT, below Argentine offers of \$310/MT. Meanwhile, South Korea continues to aggressively buy feed wheat from India and other sources but also purchased some optional origin corn this week. Late last week private Chinese millers were reported to have purchased 240 TMT of new crop U.S. corn.

Futures market activity this week

Global macro-economic trends – News was mixed this week with the eurozone confidence index showing unexpected gains, while stocks traded erratically over concerns about the weekend Italian election results which produced no clear cut winner which could spell uncertainty ahead, and at worst, gridlock over meeting its budget austerity commitments. Italy conducted a successful bond auction later in the week, helping to calm investor worries about Italy staying on track in solving its fiscal problems.

U.S. economic watch – Very positive economic news from the U.S. this week is bolstering investor risk sentiment. To start the week we received bullish news on the Consumer Confidence Index which jumped unexpectedly to 69.5 from last month's dip to 58.4 (expected 62) and several strong housing market signals. Pending home sales (+4.5%) jumped to highest level since April 2010 and Case Shiller housing market price index increased by +6.8%, followed by very robust new home sales increase of nearly 16% m/m and 30% y/y. Durable goods orders, excluding transportation, showed a strong gain of 1.9% - the best in a year – compared to an expected decline. Capital goods (excludes both aircraft and defense) showed an even stronger gain of +6.3% m/m and 9.5% over the past 3 months. This measure is considered a proxy for future business investment. Thursday brought more positive news... weekly jobless claims fell sharply by 22,000 to 344,000 compared to an expected modest downtick to 360,000. The Commerce Department revised its Q4 US GDP estimate higher today to a modest gain of 0.1%, compared to their preliminary estimate of -0.1%. Although an improvement it was still below trade estimates.

WHEAT – Wheat closed sharply lower on Monday as another blast of beneficial snowfall blanketed key hard red winter wheat areas, pressuring new crop wheat futures, along with disappointing weekly export inspections. Wheat posted a positive reversal higher on Tuesday, as evidence is becoming stronger that U.S. wheat is the cheapest origin on the world market today, likely leading to increased export sales in the weeks ahead. Gains, however, continue to be limited by improving moisture prospects for the drought-stricken winter wheat crop. Wheat prices closed mixed in two-sided trading on Wednesday, with short covering pulling the market higher but reduced weather premium pushing it lower. Wheat finished higher today (Thursday) with spillover support from soybeans and corn. **Wheat market closes on Thursday, 2/28/13 ...**

	Mar 2013	Weekly Summary	May 2013	Weekly Summary	Dec 2013	Weekly Summary
Chicago	\$7.07 ³ / ₄	Down \$0.07 ¹ / ₄	\$7.14 ¹ / ₂	Down \$0.04 ¹ / ₄	\$7.39 ¹ / ₂	Down \$0.07
Kansas City	\$7.47	Down \$0.02 ³ / ₄	\$7.52 ³ / ₄	Down \$0.06 ³ / ₄	\$7.90	Down \$0.08
Minneapolis	\$7.99	Down \$0.03 ³ / ₄	\$8.01 ³ / ₄	Down \$0.10 ¹ / ₄	\$8.16 ¹ / ₂	Down \$0.12 ¹ / ₂
DNS						

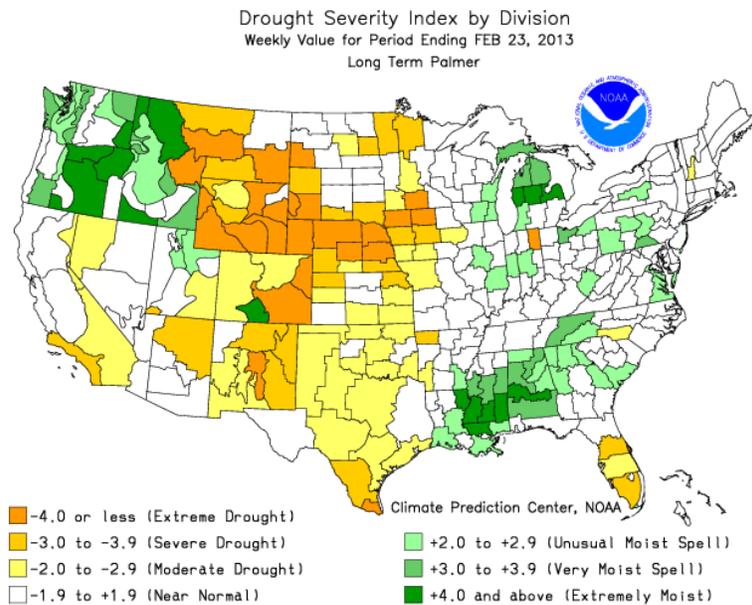
CORN – Corn traded modestly higher on Monday in mostly two-sided action. The main feature was bull spreading between nearby (old crop) and deferred contracts (old contract). Strong cash prices due to a lack of farmer selling continue to provide underlying support. Corn posted strong gains on Tuesday with support from improving technicals which point to a short term bounce ahead and firm cash prices. Corn finished moderately higher on Wednesday, with technical support offsetting demand worries. Corn extended its gains today (Thursday), on support from a strong cash market and better than expected export sales. **Corn futures contract closes on Thursday, 2/28/13 for Mar 2013 at \$7.19 ¹/₂, up \$0.29 ¹/₄, May 2013 contract at \$7.03 ¹/₂, up \$0.19 ¹/₄ and the Dec 2013 contract at \$5.57, up \$0.04 ¹/₄ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices chopped in a very narrow range this week in reaction to both negative and positive outside economic news. The week began with just fractional losses – closed down \$.02 to \$93.11 on pressure from a higher dollar and uncertainty surrounding Italian election results where it appeared no party emerged from the weekend election with a clear governing mandate. Prices continued to deteriorate on Tuesday – down \$.48 to close at \$92.63 – on a sell off in global equities offset by a spate of positive U.S. economic data. Prices showed a modest recovery on Wednesday – up \$.13 to \$92.76 – on more positive U.S. economic news which is improving investor risk sentiment. DOE's weekly crude

oil inventory report showed crude oil stocks increased by 1.13 million bbls, compared to an expected build of 2.5 million bbls; distillates stocks increased by 600,000 bbls; and gasoline stocks fell by 1.9 million bbls, compared to an expected decline of 1.0 million bbls. **Crude oil prices fell \$.71 to close at \$92.05 today (Thursday) after the IMF warned of potential downward revision to the US economic growth projections as a result of sequestration budget cuts (particularly defense spending cuts).**

U.S. crop weather – A second major winter storm blanketed the Great Plains this week, moving northeastward through the Eastern Corn Belt, bringing substantial moisture to the central one-third of Kansas and central/western Oklahoma. Other key areas of the Western Plains received lighter amounts of beneficial moisture. **The National Weather Service's rainfall map for the past 14 days shows up to 4 inches of moisture fell across most of Oklahoma and southern Kansas, helping significantly to recharge soil moisture profiles just as the winter wheat crop emerges from dormancy and its moisture needs begin to increase.** The Drought Severity Index Map (Feb. 23) below shows the area under moderate to extreme drought has been significantly reduced from last month. The 6-10 day and 8-14 day outlooks show above normal precipitation over much of the Plains and Midwest.



Argentina / Brazil – Parts of Argentina received beneficial moisture over the weekend with more scattered showers in the forecast for this week. This **sudden change in the weather pattern in Argentina is consistent with a rapid weakening of the recent La Nina episode (officially we have been in a neutral Nino weather pattern since last September).** In the past 10 days, key areas of Argentina and Brazil have received heavy rains, helping to alleviate heat and moisture stress. However, recent satellite vegetation maps have revealed **irreversible yield damage in the Argentine corn crop which pollinated under severe moisture stress conditions.** Meanwhile, soybean harvest remains delayed in many areas of northwestern Brazil due to excessive moisture, which is delaying soybean exports AND delaying second crop corn planting which could lead to reduced yields in the corn crop. **Reports today indicate there was a significant landslide in Brazil that has wiped out a major rail line that carries beans and corn to the Port of Santos, which will further exacerbate export shipment delays from Brazil (Port of Santos already experiencing a 30-35 day delay and Port of Parangua a 40-45 day delay.**

NEXT IBC WEBINAR – Barley, Alfalfa and Livestock Crop Insurance Options – presented by Dave Paul, director, Risk Management Agency Spokane Regional Office. **March 8 at 8:30 a.m. MST.** To participate from your own computer, log onto: <http://connect.cals.uidaho.edu/barley>

Archived Grain Marketing Webinars are available on-line...

- **NEW...February 8, 2013 - Global Grain Market Outlook** - presented by Kelly Olson, Idaho Barley Commission at <http://connect.cals.uidaho.edu/p89861735/>
- **Jan. 17, 2013 - How to Hedge Grain Prices Using Recurring Trends & Market Cycles** - presented by Lan H. Turner, Gecko Software, Inc at <http://connect.cals.uidaho.edu/p71004116>
- **Nov. 20, 2012 - Executing a 2012/13 Grain Marketing Plan** – presented by Craig Corbett and Carley Garner, commodity broker, Las Vegas, NV at <http://connect.cals.uidaho.edu/p20437593/>
- **Oct. 30, 2012 - 2012/13 Grain Market Outlook & Understanding Technical Trends** – presented by Kelly Olson and Craig Corbett, Grace, ID at <http://connect.cals.uidaho.edu/p47995616/>