

Idaho Grain Market Report, April 11, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 10, 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	\$11.75	(2-R) NQ (6-R) NQ	\$7.55	\$7.25	\$7.80
Idaho Falls	NQ	(2-R) \$12.92-\$13.00 (6-R) \$12.92	NQ	NQ	NQ
Blackfoot / Pocatello	\$11.35	(2-R) \$13.00 (6-R) \$13.00	\$7.50	\$7.24	\$7.71
Grace / Soda Springs	\$10.60	(2-R) NQ (6-R) NQ	\$7.70	\$7.60	\$7.52
Burley / Rupert Hazelton	\$11.25-\$12.50	(2-R) \$12.92 (6-R) \$12.92	\$7.76-\$7.85	\$7.07	\$7.66
Twin Falls / Eden / Buhl	\$11.60	(2-R) NQ (6-R) NQ	\$7.50	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$7.50	NQ	NQ
Nez Perce / Craigmont	\$10.10	(2-R) \$10.10 (6-R) \$10.10	\$7.29	\$8.12	\$8.50
Lewiston	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$7.48	\$8.31	\$8.69
Moscow / Genesee	\$10.15-\$11.60	(2-R) \$10.15 (6-R) \$10.15	\$7.25-\$7.97	\$8.08-\$8.65	\$8.46-\$9.14

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	Apr \$7.86 ¼-\$7.95 Aug NC \$7.35-\$7.51 ¾	Apr \$8.65-\$8.75 Aug NC \$8.16 ¼-\$8.31 ¼	Apr \$9.09 ½ -\$9.19 ½ Aug NC \$8.71 ¾ -\$8.81 ¾
Los Angeles	\$14.70	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$14.70	NQ	NQ	NQ	NQ	NQ
Ogden	\$11.00	NQ	NQ	\$8.00	\$7.86	\$8.10
Great Falls	\$8.00-\$10.50	NQ	\$12.75	NQ	\$7.30-\$7.60	\$7.99-\$8.09
Minneapolis	\$10.42	NQ	\$13.02	NQ	\$8.10 (12%)	\$8.74 ½ - \$8.94 ½

Market trends this week

BARLEY – Local barley prices were mixed this week with \$1.00 lower to \$.10 higher reported in southern Idaho and no change to \$.25 higher reported in northern Idaho. USDA reported that there were no barley export sales or shipments last week.

USDA's MY 2012/13 S&D report for BARLEY – April 11 –USDA only tweaked its U.S. barley balance sheet slightly this month –increased imports by 3 million bu to 23 million bu, increased domestic feed usage by 5 million bu to 65 million bu and lowered ending stocks by 2 million bu to 75 million bu. USDA also continued to tighten the average farm-gate price for U.S. barley to a range of \$6.30-\$6.50/bu. **World barley production was tweaked slightly lower this month to 129.99 MMT, which is still down 3% from the previous year. World barley ending stocks were cut slightly this month to 19.7 MMT, down 12% from last year.**

WHEAT – Local wheat prices were also mixed this week: SWW ranged from 20 cents lower to 11 cents higher; HRW ranged from 10 cents lower to 16 cents higher; and DNS ranged from 23 cents lower to 3 cents higher. USDA reported wheat export sales last week were within trade expectations at 339.5 TMT (263.5 TMT for MY 2012/13 and 76 TMT for 2013/14), up 87% from the previous week, but down 50% from the prior 4-week average. Export shipments last week totaled 772.2 TMT, up 52% from the previous week and 26% from the prior 4-week average.

USDA's MY 2012/13 S&D report for WHEAT – April 11 – As expected, USDA cut its wheat feed usage projection by 15 million bu to 360 million bu and **increased ending stocks by an equal amount to 731 million bu, which was slightly above the average pre-report trade estimate of 727 million bu.** The average farm-gate price range was further tightened to \$7.70-\$7.90. **USDA increased world wheat ending stocks by 4 MMT to 182.2 MMT, considerably more than the trade had expected this month, due mostly to larger stocks in China (+3 MMT).**

Wheat Competitor/Buyers News – French winter wheat acreage is pegged at 4.96 million hectares, up 2.8% from a year ago. Reports confirmed that Sinograin purchased 700 TMT of U.S. SRW wheat last week to rebuild government stockpile, but USDA's official export sales data only reported 360 TMT. Brazil announced they would double their wheat import quota (outside of Mecosur region) to 2 MMT, further evidence that quality supplies may be short in Argentina.

CORN – Corn export sales last week were within trade expectations, at 476 TMT (185.2 TMT for MY 2012/13 and 290.8 TMT for 2013/14) which was down 48% from the previous week and 28% from the prior 4-week average. Export shipments last week totaled 279.8 TMT which was down 51% from the previous week and 37% from the prior 4-week average.

USDA's MY 2011/12 S&D report for CORN – April 11 – **Bullish ending stocks estimate in light of the larger than expected March 1 stocks estimate last Thursday...** USDA delivered more surprises in their S&D report this week - they cut domestic feed usage by 150 million bu to 4.4 billion bu, increased ethanol use by 50 million bu to 4.55 billion bu and cut exports by 25 million bu to 800 million bu, reflecting a sluggish export pace due to competition from Brazil, Ukraine and feed wheat. **This resulted in a 125 million bu increase in ending stocks to 757 million bu, below the average pre-report trade estimate of 812 million bu.** The average farm-gate price for U.S. corn was tightened to \$6.65-\$7.15. **World corn production was increased more than expected this month to 855.9 MMT, due to a larger Brazilian crop, and ending stocks were increased by 7.8 MMT to 125.3 MMT, due to increases in stocks in the U.S., China and Brazil. Argentine production was left unchanged at 26.5 MMT.**

Ethanol corn usage – DOE's Energy Information Agency reported an impressive uptick in U.S. ethanol production last week to 854,000 bbls per day, up 5.8% from the previous week but still down nearly 5% from a year ago. This is the best weekly output reported since last June. Corn used for ethanol production jumped to 89.68 million bu, nod above the 88 million bu pace needed to reach the USDA estimated usage for the year of 4.55 billion bu.

Corn Competitor/Buyer News – Japan reportedly purchased 100 TMT of South African corn this week and Vietnam bought 15 TMT of Indian corn, further evidence that U.S. corn continues to struggle against world competition.

Futures market activity this week

WHEAT – Wheat markets posted strong gains to start the week on supportive export shipment data and concerns about a possible hard freeze that could hit jointing winter wheat by mid week. Also wire reports that China had indeed purchased at least 700 TMT of US SRW wheat last week provided underlying support. Wheat closed mixed on Tuesday in mostly profit-taking in wheat-corn spreads ahead of Wednesday's S&D report. Underlying support continued from a freeze threat across the Western Plains where jointing winter wheat is vulnerable. Wheat markets shrugged off frost worries to close lower on Wednesday in reaction to a bearish world wheat stocks report. Wheat rebounded higher today (Thursday) with KC leading the gains on winterkill concerns after a second consecutive day of freezing temperatures across the High Plains. **Wheat market closes on Thursday, 4/11/13 ...**

	May 2013	Weekly Summary	July 2013	Weekly Summary	Dec 2013	Weekly Summary
Chicago	\$6.97 ¾	Down \$0.02 ¼	\$7.03 ¼	Down \$0.01	\$7.23 ¾	Down \$0.01 ¼
Kansas City	\$7.38 ¾	Up \$0.12 ¾	\$7.46 ½	Up \$0.13 ¾	\$7.74	Up \$0.11 ½
Minneapolis	\$7.89 ½	Up \$0.02	\$7.84 ½	Down \$0.02	\$7.94 ½	Down \$0.03
DNS						

CORN – Corn posted moderate gains on Monday on support from higher wheat and soybeans and positioning ahead of Wednesday's monthly S&D report. Some analysts are predicting USDA will not raise ending stocks as much as suggested in last Thursday's stocks report. But gains were limited by another very disappointing weekly export shipments report, which shows cumulative export shipments at 54% of the USDA's yearly projection compared to an average pace of 57%. Corn continued to grind higher on Tuesday in further positioning and active bull spreading. A modest weather premium on concerns about spring planting delays also was noted. Corn continued to show modest strength on Wednesday in reaction to a mostly bullish S&D report and weather uncertainties, but gains were limited by a bearish new crop production outlook. Corn finished today (Thursday), **Corn futures contract closes on Thursday, 4/11/13 for May 2013 at \$6.51 ¼, up \$0.22 ¼, July 2013 contract at \$6.33 ½, up \$0.15 ¾ and the Dec 2013 contract at \$5.44, up \$0.09 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices continued to chop mostly sideways to modestly higher this week, with support from short

covering, a lower dollar and better economic data. A mostly supportive weekly crude oil stocks report pushed prices higher on Wednesday to a 4-day high of \$94.64. DOE's weekly crude oil inventory report was mixed, showing a surprisingly modest weekly gain in crude oil stocks of 250,000 bbls, compared to an expected build of 1.5 million bbls; distillate stocks fell by 200,000 million bbls, compared to an expected decline of 1.5 million bbls; and gasoline stocks surprisingly increased by 1.7 million bbls, the first increase in 9 weeks, compared to an expected decline of 1.5 million bbls. **Crude oil posted sharp losses on Thursday – down \$1.13 to close at \$93.51 – under pressure from IEA's cut in global oil demand reflecting the weakest fuel demand in Europe since the 1980s, partially offset by better than expected weekly U.S. jobless claims.**

U.S. CROP WEATHER / CROP WATCH – A strong cold front carrying cold temperatures and heavy precipitation in the form of both snow and rain moved across the Northwestern Corn Belt into the North Central U.S., spreading into the Eastern Plains by mid week, widely disrupting spring fieldwork. While the precipitation is widely viewed as beneficial to recharging soil moisture (price negative to new crop contracts) there are emerging concerns about flood risks and spring planting delays. The bigger concern was frost damage in winter wheat (HRW wheat in jointing stage) as key growing areas in the Central and Southern High Plains experienced two consecutive nights of freezing temperatures. Damage is likely across a wide swath from the Texas and Oklahoma Panhandles through western Kansas and Eastern Colorado. Another storm system is expected to move from the Pacific Northwest into the Midwest early next week, keeping conditions wetter and cooler than normal. The 6-10 and 8-14 day weather outlooks call for below normal temperatures and above normal precipitation, disrupting spring planting and slowing winter crop development.

USDA Crop Progress / Condition Report, April 8, 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
ID barley	34% planted	23%	19%	13%			
ID spring wheat	24% planted	12%	18%	16%			
US winter wheat					36%	34%	61%
ID winter wheat					60%	68%	87%

INTERNATIONAL WEATHER / CROP WATCH -

- **Brazil/Argentina** – Scattered showers covered most of Brazil, benefiting second crop corn. Central Argentina saw heavy precipitation last week and some additional moisture this week, causing some localized flooding and delaying summer crop harvesting.
- **Canada** – conditions remain cold and wet; likely looking at spring planting delays in many areas.
- **Europe** – After a colder than normal winter and early spring, conditions are beginning to moderate. Winter grain development has been slower than normal across the UK and France which saw additional moisture this week, while some crops remain dormant in Germany, Poland and Balkans. Meanwhile rains have boosted soil moisture in the south.
- **Black Sea Region** – Northern Ukraine and Russia are experiencing a cold spring, keeping winter crops dormant and slowing spring planting, while southern regions have seen favorable winter crop development and normal spring planting pace.
- **Northern Africa** – Recent rains are maintaining excellent winter grain prospects.
- **Middle East** – Warm showery weather is maintaining favorable growing conditions for this region.
- **China** – Northeastern belt is excessively dry as the winter wheat crop approaches heading stage. Without significant moisture in the last half of April, this region could be looking at yield losses.