

Idaho Grain Market Report, February 6, 2014

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 5, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>		
	<u>FEED</u>				
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$7.85	(2-R) \$11.50 (6-R) \$11.50	\$5.90	\$6.44	\$6.55
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Grace / Soda Springs	\$7.75	(2-R) NQ (6-R) NQ	\$5.90	\$6.52	\$7.10
Burley / Rupert	\$7.50	(2-R) NQ (6-R) NQ	\$5.80-\$5.84	\$6.31	\$6.57
Hazelton		(2-R) NQ (6-R) NQ			
Twin Falls / Eden / Buhl	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	\$7.65	(2-R) NQ (6-R) NQ	\$5.74	NQ	NQ
Nez Perce / Craigmont	\$5.75	(2-R) \$5.75 (6-R) \$5.75	\$6.11	\$7.12	\$7.25
Lewiston	\$6.55	(2-R) \$6.55 (6-R) \$6.55	\$6.42	\$7.43	\$7.33
Moscow / Genesee	\$5.60-\$5.70	(2-R) \$5.70 (6-R) \$5.70	\$5.78-\$6.19	\$6.83-\$7.20	\$6.91-\$7.33

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	Feb \$7.07 ½-\$7.17½ Aug NC \$6.51 ½ - \$6.71 ½	Feb \$7.76 ¼-\$8.11 ¼ Aug NC \$7.00 ½ - \$7.20 ½	Feb \$8.11 ½ -\$8.51 ½ Aug NC \$7.15½-\$7.45½
Los Angeles	\$10.90	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.90	NQ	NQ	NQ	NQ	NQ
Ogden	\$7.80	NQ	NQ	\$6.15	\$6.78	\$7.33
Great Falls	\$6.50	NQ	\$9.50	NQ	\$6.17-\$6.50	\$6.57-\$6.63
Minneapolis	\$7.71	NQ	\$11.67	NQ	\$7.61 ¼ (12%)	\$9.04 ½-\$9.54 ½

Market trends this week

BARLEY – Local barley prices were mostly higher this week with southern Idaho locations reporting a range of 15 to 45 cents higher and northern Idaho reporting no change. USDA reported that export sales totaled 32.4 TMT for Japan last week and barley export shipments hit a marketing year high at 44.1 TMT for Japan and Taiwan.

Barley Competitor/Buyer News – Stats Canada reported Canadian barley stocks increased 27% to top 6.7 MMT.

WHEAT – Local wheat prices were also mostly higher this week: SWW ranged from 4 cents lower to 31 cents higher; HRW ranged from 14 to 63 cents higher; and DNS ranged from 23 to 58 cents higher. USDA reported wheat export sales last week were within the high end of trade expectations at 733.6 TMT (638.8 TMT for MY 2013/14 and 94.8 for MY 2014/15), down 15% from the previous week but up 62% from the prior 4 week average. Wheat export shipments last week totaled 367.9 TMT which was down 2% from the previous week and 18% from the prior 4 week average.

Wheat Competitor/Buyer News – Stats Canada reported Canadian wheat stocks at a 20 year high of 28.4 MMT, up 38% from a year ago. India released another 200 TMT of government wheat stocks for export this week. Ukraine reported 92% of their winter grain crops were in satisfactory to good condition.

CORN – Corn export sales were well above trade expectations last week at 1.7 MMT for MY 2014, down 8% from the previous week but up 94% from the prior 4 week average. Corn export shipments were also strong last week at 747.3 TMT, down 26% from the previous week and 3% from the prior 4 week average.

Ethanol corn usage – DOE's Energy Information Agency reported another small weekly downtick in U.S. ethanol production last week – down 6,000 bbls to 895,000 bpd – down 0.56% from the previous week but up 15.6% from last year. Corn used for ethanol totaled 93.98 million bu, still lagging behind the weekly pace of 97.2 million bu needed to meet the USDA projection of 5.0 billion bu for the marketing year.

Corn Competitor/Buyer News – South Korea bought 65 TMT of U.S corn this week. For the 7th consecutive week, Chinese cancelled US corn export purchases (220 TMT cancellations reported for last week) due to the presence of unapproved GMO varieties.

Futures Market trends this week

U.S. economic news – Economic indicators were mixed this week, triggering some investor worries...ISM Manufacturing Index fell from 56 in December to 51.3 pts, the lowest level in 6 months. By contrast, the ISM Services Index was reported slightly better than expected, up 1 pt to 54 pts. Factory orders fell by 1.5% this month, which was slightly better than expected. Finally, analysts expect monthly job growth – to be officially released tomorrow – is expected to show a gain of 181,000 jobs in January compared to only 74,000 jobs created in December.

WHEAT – Wheat finally broke out of its recent narrow down channel to move solidly higher on both Monday and Tuesday in the face of a sharp decline in the monthly crop ratings for winter wheat across the Central and Southern Plains (Kansas good/excellent rating fell from 58% to 35% and Oklahoma fell from 63% to 36%). Improving longer-term technical trends also boosted the markets. After a choppy trading session, wheat markets continued to extend their modest gains on Wednesday as another round of subzero temperatures swept through the Central Plains into the Eastern Corn Belt. Wheat markets finished mixed to lower in two-sided action today (Thursday), as early gains were erased mid-session as markets met upside resistance. **Wheat market closes on Thursday, 2/06/14 ...**

	Mar 2014	Weekly Summary	May 2014	Weekly Summary	Dec. 2014	Weekly Summary
Chicago SRW	\$5.80 ³ / ₄	Up \$.25	\$5.82 ¹ / ₄	Up \$.24	\$6.07	Up \$.24 ¹ / ₄
KC HRW	\$6.48 ³ / ₄	Up \$.33 ¹ / ₄	\$6.37	Up \$.26	\$6.47 ¹ / ₄	Up \$.21 ¹ / ₂
MGE DNS	\$6.38 ¹ / ₄	Up \$.34 ¹ / ₂	\$6.18	Up \$.18 ³ / ₄	\$6.42	Up \$.13 ¹ / ₄

CORN – Corn moved moderately higher to start the week, taking out January's highs on fund short covering triggered by a combination of improving short term technical signs and continued talk of a slower than anticipated Brazilian export pace. As private crop forecaster lowered its South American corn crop estimate by more than 3 MMT this week due to difficult growing conditions in early planted Argentine wheat and a drying trend in Central and Southern Brazil which could delay second crop corn planting and / or reduce corn acreage. Corn traded mixed to fractionally lower on Wednesday on pressure from increased producer selling and technicals moving into overbought territory which might trigger further liquidation in the days ahead. Corn prices finished fractionally on Thursday as early gains on better than expected weekly export sales were met with resistance sparked by increased producer selling. **Corn futures contract closes on Thursday, 2/06/14 for Mar. 2014 contract at \$4.43, up \$0.09 for the week, May 2014 contract closed at \$4.48 ¹/₂, up \$0.09 and the Dec. 2014 contract closed at \$4.58 ¹/₄, up \$0.08 ¹/₄ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL –Crude oil began the week trading sharply lower under pressure from continued weakness in outside markets. The market posted a positive reversal on Tuesday and Wednesday on ideas that distillate inventories would continue to fall due to another major winter storm and subzero temperatures sweeping through the Midwest into the Northeast. DOE's weekly inventory report confirmed a mostly supportive stocks situation: crude oil stocks increased by 440,000 bbls last week, compared to an expected build of 2.55 million bbls; distillates fell by 2.36 million bbls, compared to expected decline of 2.5 million bbls; and gasoline stocks increased by 505,000 bbls, compared to an expected increase of 1.15 million bbls. **Crude oil futures finished higher again on Thursday – up \$0.46 to close at \$97.84/bbl.**

INTERNATIONAL WEATHER / CROP PROGRESS -

Argentina – Heavy rains continued to boost yield prospects in late planted corn across key production areas. Yield

damage has already been done in earlier planted crops due to much drier than normal conditions in January.

Brazil – Southern and Central Brazil continued to see a drying trend, raising concerns about delayed planting of second crop corn and possibly reduced acreage. Informa pegged the Brazilian corn crop at 66.5 MMT, much lower than USDA's estimate last month of 70 MMT.

IBC Educational Webinars

Feb. 7 webinar at 2:00 pm MST “2014 Global Grain Market Outlook and Strategies” presented by Bob Utterback, Utterback Marketing. Connect at <http://connect.cals.uidaho.edu/barley>

RECORDED WEBINAR... featuring Ed Usset, University of Minnesota “Developing your 2014 Pre-Harvest Marketing Plan for Wheat” Link at <http://connect.cals.uidaho.edu/p4nnx7ry9of/>

Feb. 24 webinar at 8:30 a.m. MST “Irrigation Efficiencies in a Water Short Year” presented by Dr. Howard Neibling, UI Kimberly. Connect at <http://connect.cals.uidaho.edu/barley>

March 4 webinar at 7:00 p.m. MST “Right Risk: Evaluating Risk Management Options and Using Enterprise Risk Analyzer Tools” presented by Dr. Jay Parsons, Optimal Ag/Colorado State University. Connect at <http://connect.cals.uidaho.edu/barley>

Webinars sponsored by the Idaho Wheat Commission...

- **RECORDED WEBINAR** on Ag Tax Issues presented by Jerry Brown, link can found at...<http://connect.cals.uidaho.edu/p2alaqom18n/>