

Idaho Grain Market Report, April 3, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 2, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>		
	<u>FEED</u>				
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$7.75	(2-R) NQ (6-R) NQ	\$5.82	\$6.38	\$6.90
Idaho Falls	\$8.25	(2-R) \$11.98-\$12.00 (6-R) \$11.98	\$6.14	\$6.99	\$7.42
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.50	\$7.73	\$7.75
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$7.50-\$8.00	(2-R) \$11.98 (6-R) \$11.98	\$5.70-\$6.15	\$6.89	\$6.91
Twin Falls / Eden / Buhl	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	\$9.00	(2-R) NQ (6-R) NQ	\$6.17	NQ	NQ
Nez Perce / Craigmont	\$6.75	(2-R) \$6.75 (6-R) \$6.75	\$6.56	\$7.59	\$7.78
Lewiston	\$7.55	(2-R) \$7.55 (6-R) \$7.55	\$6.87	\$7.90	\$8.09
Moscow / Genesee	\$6.35-\$6.70	(2-R) \$6.70 (6-R) \$6.70	\$6.27-\$6.64	\$7.25-\$7.67	\$7.53-\$7.86

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 \$7.39 ¼-\$7.80 Aug NC \$7.18 ¼ - \$7.38 ¼	Apr \$8.63 ¾-\$8.70 ¾ Aug NC \$8.02 ½- \$8.27 ½	Apr \$8.92 ¼-\$9.02 ¼ Aug NC \$8.04¼-\$8.24¼
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	\$9.00	NQ	NQ	\$6.18	\$6.74	\$7.22
Great Falls	\$6.25-\$6.50	NQ	\$9.50	NQ	\$6.41.-\$6.77	\$6.73-\$6.81
Minneapolis	\$8.23	NQ	\$12.50	NQ	\$8.03 ¾ (12%)	\$8.72 ¼-\$9.12 ¼

Market trends this week

BARLEY – Local barley prices were pretty steady this week with southern Idaho locations reporting no change and northern Idaho reporting no change to 15 cents higher. USDA reported that barley export sales totaled .5 TMT for Taiwan, and export shipments totaled 2.4 TMT for and South Korea last week.

2014 Barley Acreage – USDA is projecting 2014 barley planted acres at a multi-year low of 3.165 million, down 4% from the previous year. **Idaho barley acres are projected at 660,000, up 5% from last year.**

March 1 Barley Quarterly Stocks - March 1 quarterly barley stocks are pegged at 122 million bu, up 4% from a year ago. The December 2013-February 2014 indicated disappearance totaled 47.9 million bu, up 17% from the same period a year ago. Idaho barley stocks are pegged at 28.7 million bu, up 3% from a year ago.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from no change to 40 cents lower; HRW ranged from 33 to 85 cents lower; and DNS ranged from 20 to 58 cents lower. USDA reported wheat export sales last week were on the high end of trade expectations at 646.9 TMT (336.4 TMT for MY 2013/14 and 310.5 TMT for MY 2014/15), down 16% from the previous week and 27% from the prior 4 week average. Wheat export shipments last week totaled 523.1 TMT, down 1% from the previous week but up 2% from the prior 4 week average.

2014 Wheat Acreage– USDA is projecting **2014 all wheat planted acres at 55.8 million**, down 1% from 2013, including 42.0 million acres winter wheat and 12.0 million other spring wheat. **This planted acreage estimate was BELOW the average trade estimate of 56.3 million. Idaho wheat acres are projected at 1.201 million, down 8% from last year.**

March 1 Wheat Quarterly Stocks - March 1 quarterly wheat stocks are pegged at 1.06 billion bu, BELOW the average trade estimate of 1.042 billion bu, and 15% below a year ago. The December 2013-February 2014 indicated disappearance totaled 419 million bu, down 4% from the same period a year ago. Idaho wheat stocks are pegged at 30.5 million bu, down 1% from a year ago.

Wheat Competitor/Buyer News – Coceral projects the 2014 EU soft wheat crop at 135.9 MMT, down slightly from last year's 136.3 MMT.

CORN – Corn export sales were within trade expectations last week at 998.5 TMT (960.6 TMT for MY 2013/14 and 37.9 TMT for MY 2014/15), down 32% from the previous week and 12% from the prior 4 week average. Corn export shipments remained strong last week at 1.4 MMT, up 16% from the previous week and 36% from the prior 4 week.

Ethanol corn usage – DOE's Energy Information Agency reported a solid gain in weekly U.S. ethanol production – up 4.18% to 922,000 bbls per day - and more than 14% above last year. This is largely due to the best ethanol prices in nearly 7 years. Weekly corn usage increased to 96.8 mbu (cumulative use 2.81 billion bu), but that pace still calls short of the weekly pace of 98 million bu needed to meet the USDA projection of 5.0 billion bu for the marketing year.

2014 Corn Acreage - USDA is projecting **2014 corn planted acres at 91.7 million, down 4% from last year and BELOW the average trade estimates of 92.748 million.** If realized, this will be the lowest corn acres since 2010 but the 5th largest planted corn acres on record.

March 1 Corn Quarterly Stocks - March 1 quarterly corn stocks are pegged at 7.01 billion bu, nearly 100 million bu BELOW the average trade estimate of 7.099 billion bu, but up 30% from a year ago. The December 2013- February 2014 indicated disappearance was 3.45 billion bu, up 31% from the same period a year ago.

What does this mean for the MY 2014/15 corn balance sheet? If you plug in the USDA planted acreage estimate and a normal weather trend line yield of 162 bpa, 2014 production could be pegged at 13.58 billion bu, down 2% from 2013 crop of 13.925 billion bu. And assuming stronger than expected usage this marketing year (based on lower than expected March 1 quarterly stocks), 2014/15 beginning stocks could drop to about 1.43 billion bu, compared to current estimate of 1.456 billion bu. This could result in a 2014/15 ending stocks balance closer to 1.5 billion bu (stocks-to-use of 10.8%) than the bearish 2 billion bu plus that was projected earlier this winter. Stocks-to-use has been below 9% just 5 times in the past 50 years. Only time and weather will reveal the actual 2014 supply situation but MY 2014/15 corn market fundamentals could be less bearish than earlier analysis suggested.

Corn Competitor/Buyer News – Argentine Ag Ministry is projecting their corn crop at 29.8 MMT, well above Buenos Aires Grain Exchange and USDA projections of 24 MMT.

Futures Market trends this week

Macroeconomic trends – Global economic indicators continue to lag expectations, leading analysts to believe that most central banks will continue accommodative monetary policies for some time to come to help stimulate growth. Even Federal Reserve Chairman Janet Yellen offered comments this week reassuring investors that the slack in the U.S. labor market continues to be evidence that central bank stimulus is still needed, easing concerns sparked by her comments in the monthly FOMC press conference two weeks ago about a projected timeline for ending bond purchases and increasing short term borrowing costs. U.S. market focus is on Friday's monthly payroll report, which is expected to show a gain of about 206,000 new jobs. The ADP payroll projection earlier this week showed a gain of 191,000 private sector jobs last month. U.S. factory orders also beat expectations this week, jumping to the best level in 5 months.

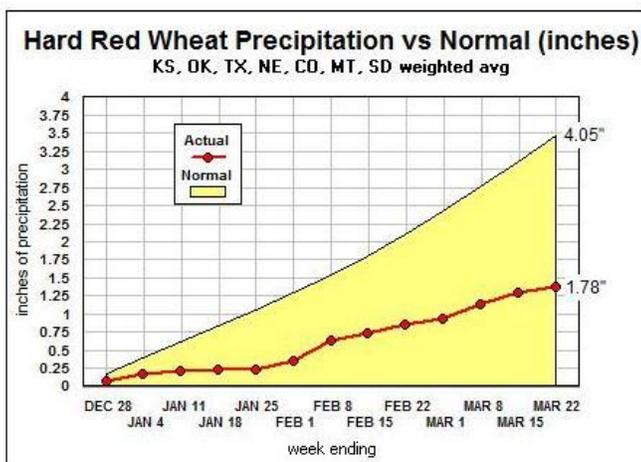
WHEAT – Reduction of geopolitical and weather risk premium pressured wheat markets this week. Wheat prices settled modestly higher on Monday in spillover support from bullish corn and bean reports. Wheat projections were considered neutral. Wheat prices retreated on both Tuesday and Wednesday in active fund selling sparked by negative technicals, improving chances for rain across the U.S. winter wheat belt and corn/wheat spreading. Wheat posted a moderate rebound today (Thursday) on spillover support from soybeans and slightly better than expected export sales. **Wheat market closes on Thursday, 4/03/14 ...**

	May 2014	Weekly Summary	July 2014	Weekly Summary	Dec. 2014	Weekly Summary
Chicago SRW	\$6.76	Down \$0.19 ½	\$6.81 ¾	Down \$0.17½	\$7.02 ½	Down \$0.13 ¾
KC HRW	\$7.44	Down \$0.19 ½	\$7.47 ¾	Down \$0.16	\$7.64 ¾	Down \$0.10 ¾
MGE DNS	\$7.30 ½	Down \$0.09 ¼	\$7.30 ¼	Down \$0.08 ¾	\$7.43 ½	Down \$0.06 ¾

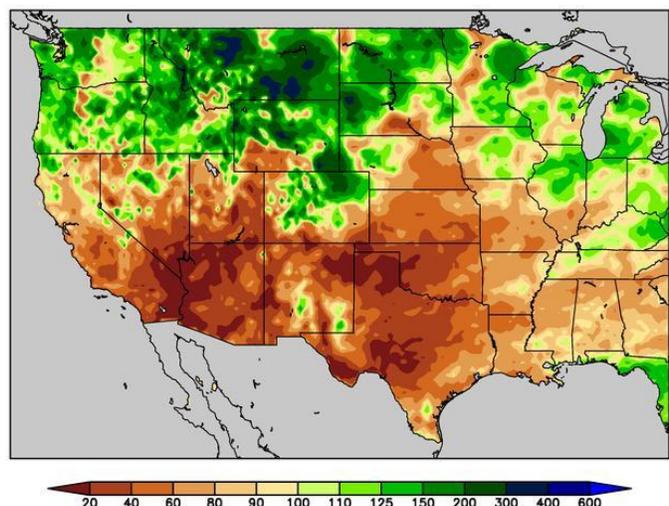
CORN – Lower than expected corn stocks and acreage projections provided fresh support to corn markets to start the week, but attention quickly shifted back to weather and planting progress. After early weakness from profit-taking ahead of Monday's key USDA reports, corn posted solid gains on both Monday and Tuesday in reaction to lower than expected stocks and projected corn acres. Forecasts showing cold and wet conditions lingering through next week also provided underlying support. Profit-taking pulled corn prices lower on Wednesday on talk of overbought technicals and signs of improving planting progress across the southern belt in the next week. Corn closed modestly higher today (Thursday) in light trading volume on spillover support from soybeans and wet weather planting delays. **Corn futures contract closes on Thursday, 4/03/2014...May 2014 contract at \$5.00, up \$0.08 for the week, July 2014 contract closed at \$5.05¼, up \$0.08¾ and the Dec. 2014 contract closed at \$5.01½, up \$0.14¼ for the week.**

US WEATHER / CROP OUTLOOK – West – After recent heavy precipitation across much of the Pacific Northwest, an upper ridge of high pressure is re-establishing in this region bringing warmer and drier conditions for the next two weeks. These conditions should aid spring grain planting progress. **Plains -** Modest deterioration was reported in weekly winter wheat crops but there are better chances of precipitation in the extended weather outlook. This key wheat growing region received only 20-40% of normal winter precipitation. The Central and Southern Plains saw heavy thunderstorms and showers this week, with about 60% coverage in the eastern edge of Kansas and Oklahoma. About 40% of the HRW region, however, remained abnormally dry as noted in the precip. maps below. Kansas reported their topsoil moisture rated 68% short/very short. Important to note that yield damage from dry soils doesn't really begin to occur in this region until at least the end of April so the projected rainfall, if realized, could be very beneficial for achieving normal yields this year. **Northern Plains –** Cold temperatures and heavy snow accumulation - with more rain/snow expected this week – point to spring planting delays this year. **Midwest Corn Belt -** Very cold soils and below normal temperatures are hindering planting progress, although there is a widening window for corn planting to accelerate across the Southern Corn Belt in the next 6-10 days. The Midwest saw only 68% of normal winter precipitation and due to deep penetrating frosts much of the snow is disappearing as runoff and not replenishing subsoil moisture. Very wet conditions are expected to stretch from MO to WI for the remainder of this week, with 80% coverage. Another cold snap is in the forecast for mid next week, but then a warming trend is expected in the extended forecast. If planting conditions don't improve significantly this month it is possible to see an additional shift in acres from corn to beans.

Martell Crop Projections
90-day Precipitation Analysis
Percent of normal through 2 April 2014



Data source National Climatic Data Center NOAA



INTERNATIONAL WEATHER / CROP OUTLOOK -

Europe – Unseasonably warm conditions prevailed across Europe this week. France and Germany both received beneficial moisture for developing grain crops. This is welcome news as Germany and Eastern Europe received less than half of normal winter precipitation leaving subsoil moisture depleted in many areas.

Black Sea Region – Some areas of the grain belt received less than 40% of normal winter precipitation and are now experiencing unseasonably warm temperatures, increasing crop moisture requirements. Some areas of Southern Russia saw a cold snap last weekend which may have damaged winter grain fields. Forecasts call for wetter conditions across Southern Russia.

China – Winter wheat belt received scattered precipitation last weekend with more light rainfall into this weekend but then drier.

Australia – Eastern regions received soaking rains last week, calming worries about deepening drought conditions ahead of fall planting which should begin in the next several weeks. Australian meteorologists, however, have warned there is **an increasing chance of an El Nino weather cycle in the next growing season which usually means drier than normal conditions for much of Australia.** Recent climate indicators – including increasing temperatures in the Western Pacific Ocean and a significant drop in the Southern Hemisphere Oscillation to a 4-year low – point to a shift in trade winds and atmospheric pressure which are conducive to the formation of an El Nino cycle.

CRUDE OIL – Crude oil prices slipped to a one-week low this week on fading geopolitical risks in the Black Sea region and weakening U.S. fuel demand – falling to the lowest level in 9 months. DOE's weekly inventory report showed crude oil stocks were considerably lower than expected which was largely due to the closure of the Houston Shipping Channel – down 2.379 million bbls compared to an expected build of 2.5 million bbls. Distillates increased by 554,000 bbls, compared to an expected decline of 300,000 bbls and gasoline stocks fell 1.574 million bbls, compared to an expected decline of 2.0 million bbls. **Crude oil futures finished \$0.67 higher to close at \$100.29 on Thursday.**

IBC Educational Webinars

RECORDED WEBINAR...featuring Dr. Jay Parsons, “Right Risk: Evaluating Risk Management Options Using Enterprise Risk Analyzer Tools.” Link at <http://connect.cals.uidaho.edu/p7h1jt0m22a/>

RECORDED WEBINAR... featuring Dr. Howard Neibling, UI, “Irrigation Efficiencies in a Water Short Year.” Link at <http://connect.cals.uidaho.edu/p88owiek00j/>

RECORDED WEBINAR... featuring Bob Utterback, Utterback Marketing “2014 Global Grain Market Outlook and Strategies.” Link at <http://connect.cals.uidaho.edu/p818x8sgjo4/>

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/>