

Idaho Grain Market Report, January 16, 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, January 15, 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) \$11.46-\$11.75 (6-R) \$11.46	\$6.00	\$5.82	\$7.00
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.00	\$6.12	\$6.45
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$7.50-\$7.75	(2-R) \$11.46 (6-R) \$11.46	\$5.95-\$5.79	\$6.27	\$6.61
Twin Falls / Eden / Buhl	\$8.20	(2-R) NQ (6-R) NQ	\$5.20	NQ	NQ
Weiser	\$9.73	(2-R) NQ (6-R) NQ	\$5.70	NQ	NQ
Nez Perce / Craigmont	\$5.75	(2-R) \$5.75 (6-R) \$5.75	\$5.86	\$6.57	\$7.63
Lewiston	\$6.55	(2-R) \$6.55 (6-R) \$6.55	\$6.17	\$6.88	\$7.94
Moscow / Genesee	\$5.35-\$5.70	(2-R) \$5.70 (6-R) \$5.70	\$5.49-\$5.94	\$6.27-\$6.65	\$7.42-\$7.71

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	Jan \$6.67 ³ / ₄ -\$6.72 ³ / ₄ May \$6.84 ³ / ₄	Jan \$7.35 ¹ / ₂ -\$7.55 ¹ / ₂ May \$7.32 ¹ / ₂ -\$7.57 ¹ / ₂	Jan \$8.24-\$8.74 May \$7.86-\$8.06
Los Angeles	\$10.75	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.75	NQ	NQ	NQ	NQ	NQ
Ogden	\$7.40	NQ	NQ	\$6.05	\$6.80	\$7.34
Great Falls	\$6.50	NQ	\$9.50	NQ	\$5.69-\$5.86	\$6.55-\$6.58
Minneapolis	\$7.60	NQ	\$11.87	NQ	\$7.30 ¹ / ₂ (12%)	\$9.64-\$10.39

Market trends this week

BARLEY – Local barley prices were mixed this week with southern Idaho locations reporting a range of 25 cents lower to 4 cents higher and northern Idaho reporting prices were unchanged. USDA reported there were no barley export sales or export shipments last week.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from 14 cents lower to 8 cents higher; HRW ranged from 17 cents lower to 10 cents higher; and DNS ranged from 9 cents lower to 73 cents higher. USDA reported wheat export sales last week were within trade expectations at 401.9 TMT (319.9 TMT in MY 13/14 and 82 TMT in MY 14/15), up 189% from the previous week however it was down 20% from the prior 4 week average. Wheat export shipments last week totaled 586.8 TMT, up 41% from the previous week and 53% from the prior 4 week average.

Wheat Competitor/Buyer News – Argentine government approved 1.5 MMT of wheat for export, with 0.5 MMT available for immediate export. This could ease near-by demand by Brazil for HRW wheat, but there remains a lot of debate on the actual size of the Argentine wheat crop this year, with USDA pegging the Argentine crop last Friday at 10.5 MMT (down 0.5 MMT from their previous estimate), while the Argentine government is estimating a lower crop of 9.2 MMT. Russia

reportedly exported 12.2 MMT of wheat for the first 11 months of 2013, compared to 15.3 MMT for the same period the year before, despite a bigger 2013 crop (up 38%). Ukraine is projecting their total grain exports will hit 33 MMT this year, 1 MMT higher than their earlier projections. The Indian government is projecting their 2013/14 wheat crop at a record 100 MMT, compared to USDA's latest projection of 92.46 MMT. Egypt purchased 55 TMT of US SRW wheat over the weekend, indicating that U.S. prices are competitive.

CORN – Corn export sales were solidly higher last week and beat trade expectations at 821 TMT, up 429% from the previous week and 26% from the prior 4 week average. Corn export shipments totaled 674.5 TMT, up 12% from the previous week, but down 23% from the prior 4 week average.

Ethanol corn usage – DOE's Energy Information Agency reported a surprising slump in weekly U.S. ethanol production last week – down 51,000 bbls to 868,000 bpd – down 5.55\$ from the previous week but up 10.7% from last year. The decline was attributed to poor rail logistics. Corn used for ethanol totaled 91.14 million bu, now slipping below the needed weekly pace of 95.4 million bu to meet the USDA projection of 4.95 billion bu for the marketing year.

Corn Competitor/Buyer News – Rosario Grain Exchange has pegged the Argentine corn crop at 22 MMT, compared to USDA's revised 25 MMT. Some other private crop forecasts have pegged their corn crop at 20 MMT. Reports indicate that China is likely to issue new GMO registrations for several crops, but there apparently is still no resolution on the MIR 162 corn issue that has resulted in multiple cargoes of U.S. corn being diverted to South Korea and other Asian markets in recent weeks. South Korea purchased 70 TMT of U.S. corn.

Futures Market trends this week

U.S. economic news – Better than expected U.S. retail sales in December (ex-autos +0.7% vs. expected +0.4%) and a 20 month high in the Empire Fed Index (12.5 vs. expected 2.52 pts.) signaled growing strength in the U.S. economy which may prompt the Federal Reserve to stay on their current tapering path for QE3 despite a disappointing monthly jobs report last Friday. The Philly Fed Index also showed significant improvements today (increasing from 6.4 to 9.4 pts), along with a small downtick in weekly first-time unemployment claims. However corporate earnings have been a mixed bag for the fourth quarter, with better than expected performance reported by J.P. Morgan and Wells Fargo offset by disappointing earnings for Citigroup, Goldman Sachs and Best Buy.

WHEAT –Wheat began the week mixed with Chicago trading moderately higher on support from weekend purchase by Egypt and more competitive U.S. prices which should help boost exports. Weekly export inspections were solid which provided underlying support. Slightly improving technical signals sparked fresh technical buying on Tuesday, pushing wheat prices higher at all three exchanges with KC posting an impressive key reversal to lead the gains. Support came from rail logistical problems and dry weather concerns in many key winter wheat growing areas including the Pacific Northwest. Forecasts calling for arctic temperatures to return to parts of the Midwest later next week also added to the positive momentum. Wheat markets reversed directions to trade double digits lower on Wednesday on a lack of fresh supportive news and increased world competition as India prepares for record wheat harvest. Wheat traded solidly higher today (Thursday) on technical short covering, signs of improving world demand and better than expected export sales.

Wheat market closes on Thursday, 1/16/14 ...

	Mar 2014	Weekly Summary	May 2014	Weekly Summary	Dec. 2014	Weekly Summary
Chicago SRW	\$5.72 ³ / ₄	Up \$.03 ³ / ₄	\$5.79 ³ / ₄	Up \$.04 ³ / ₄	\$6.07 ³ / ₄	Up \$.03 ¹ / ₄
KC HRW	\$6.29 ¹ / ₂	Up \$.03 ¹ / ₂	\$6.25 ³ / ₄	Up \$.02 ¹ / ₄	\$6.47 ³ / ₄	Unchanged
MGE DNS	\$6.24	Up \$.03 ¹ / ₂	\$6.22	Up \$.01	\$6.49 ¹ / ₄	Down \$.01

CORN – Corn posted modest gains on Monday in narrow, two-sided action. Some follow-through buying was noted that was sparked by Friday's bullish production and stocks reports, but was met by active farmer selling and weaker cash markets. Gains also were limited by disappointing export inspections. Corn prices faltered on Tuesday under pressure from increased farmer and technical selling as the market attention quickly shifted back to burdensome world stocks which are projected to reach a 13 year high, ongoing concerns about corn import rejections by China and ideas that USDA may be over-estimating domestic feed usage in light of much smaller cattle herds and spread of PED virus in the U.S. hog herd (10% of herd now reported to be infected). Weaker cash markets kept corn futures on the defensive on Wednesday, along with lower ethanol production and reports of more DDG shipments being rejected by China. Corn posted a modest rebound today (Thursday) on better than expected export sales. **Corn futures contract closes on Thursday, 1/09/14 for Mar. 2014 contract at \$4.28, down \$0.04³/₄ for the week, May 2014 contract closed at \$4.35 ¹/₂, down \$0.05¹/₄ and the Dec. 2014 contract closed at \$4.52 ¹/₄, down \$0.06 for the week.**

OTHER MAJOR FACTORS TO WATCH –

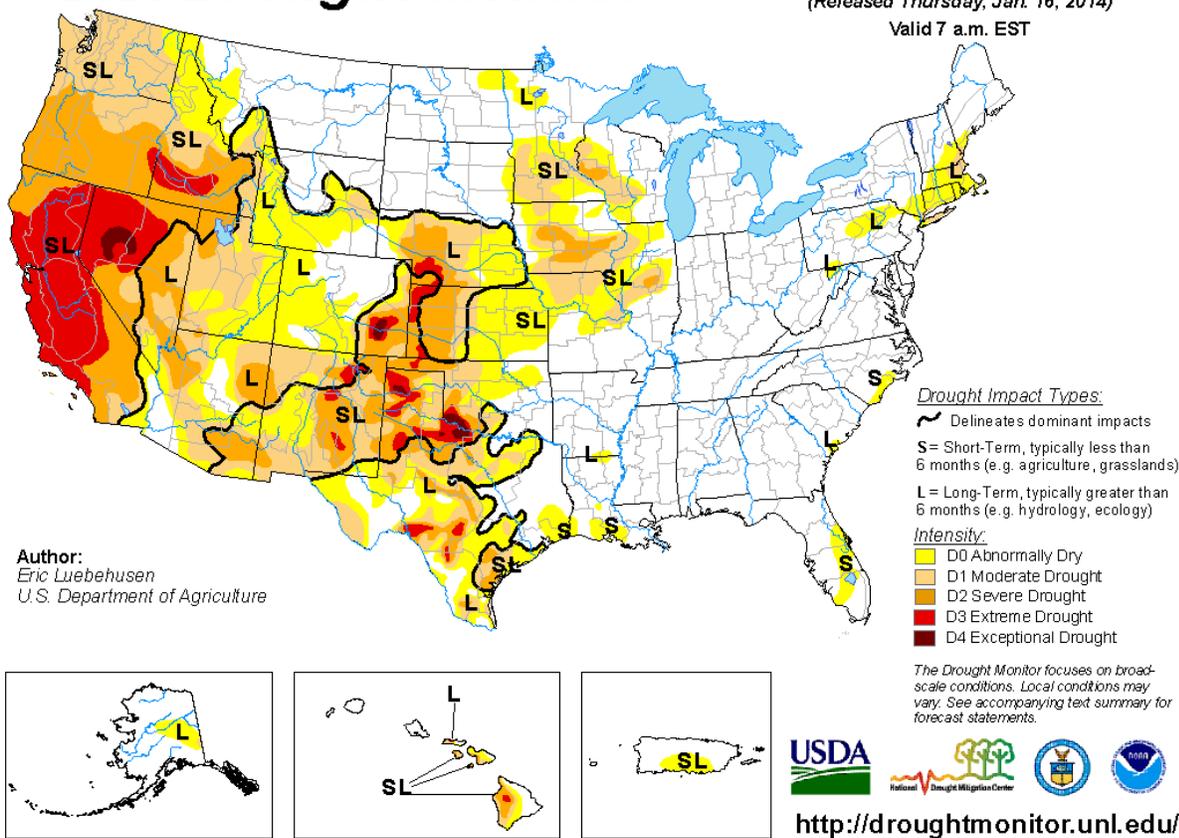
CRUDE OIL – Crude oil chopped around this week, with support from stronger Chinese demand and better than expected US retail sales which bolsters economic outlook and prospects for future energy demand. A bullish DOE's weekly inventory report also provided strong support as the weekly EIA report showed crude oil stocks falling more sharply than expected with a decrease of 7.66 million bbls, compared to an expected decline of 1.3 million bbls; distillate stocks fell by 1.02 million bbls, compared to expected gain of 1.25 million bbls; and gasoline stocks increased by 6.18 million bbls, compared to an expected gain of 2.5 million bbls. U.S. fuel demand increased for the first time in 4 weeks, while crude oil supply tumbled to a 22 month low. **Crude oil futures ground lower today (Thursday) – closing down \$0.21 to \$93.96/bbl.**

INTERNATIONAL WEATHER / CROP PROGRESS -

Drought expands marginally across U.S. winter wheat growing areas - According to the National Drought Monitor, drought covers 52.57% of the contiguous U.S., which is down slightly from 53.36% last week. Slight expansion was noted to the drought across the Midwest, with expansion in western and southern states also noted.

U.S. Drought Monitor

January 14, 2014
(Released Thursday, Jan. 16, 2014)
Valid 7 a.m. EST



Argentina – Northern Argentina received drought-breaking heavy rains in early January, but many of the key areas of the main grain belt were largely by-passed as shown in the most recent vegetative satellite maps. Conditions turned warmer and drier this week, but forecasts show good chances of moisture for southern production regions by middle of next week. About 40-50% of the corn crop is pollinating so moisture needs are increasing now.

Brazil – Brazil continues to see heavy beneficial moisture and near normal temperatures.