

Idaho Grain Market Report, January 21, 2010

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 20, 2010. Barley prices in \$/Cwt. and wheat prices in \$/bu.

Selected Locations	Barley (Cwt.)		Wheat (bu.)		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$6.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.75	(2-R) NQ (6-R) NQ	\$4.00	\$4.07	\$5.23
Idaho Falls	\$5.75	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.17	\$4.11	\$5.21
Blackfoot / Pocatello	\$5.52	(2-R) \$6.50 (6-R) NQ	\$3.90	\$3.88	\$5.24
Grace / Soda Springs	\$5.85-\$6.00	(2-R) NQ (6-R) NQ	\$4.02	\$3.92-\$3.98	\$4.95-\$5.11
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$4.00-\$4.05	\$3.94	\$5.00
Twin Falls / Eden / Buhl	\$5.50-\$7.00	(2-R) NQ (6-R) NQ	\$3.75-\$4.10	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$3.74	NQ	NQ
Nez Perce / Craigmont	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.15	\$4.81	\$5.93
Lewiston	\$5.55	(2-R) \$5.55 (6-R) \$5.55	\$4.34	\$5.00	\$6.12
Moscow / Genesee	\$5.15-\$6.50	(2-R) \$5.15 (6-R) \$5.15	\$4.11-\$4.83	\$4.77-\$5.47	\$5.89-\$6.57

Trading Prices at Selected Terminal Markets, cash prices FOB

	Barley (Cwt.)		Wheat (bu.)			
	#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 \$4.60-\$4.75 Aug NC \$4.65-\$4.90	Jan \$5.43-\$5.47 Aug NC \$5.59-\$5.69	Jan \$6.41-\$6.55 Aug NC \$6.17-\$6.37
Los Angeles	\$8.50	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.50	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.85	NQ	NQ	\$4.02	\$3.98	\$5.11
Great Falls	\$5.50	NQ	\$6.50	NQ	\$3.65-\$4.08	\$5.29-\$5.59
Minneapolis	\$5.00	NQ	\$6.87	NQ	\$4.83 ¾ - \$4.73 ¾ (12%)	\$6.50 ¾ - \$6.75 ¾

Market trends this week

BARLEY – Local barley prices were mostly lower, ranging from 41 cents lower to 5 cents higher in southern Idaho and 10 cents lower in northern Idaho. USDA will not release their weekly export sales report until Friday due to Monday's holiday.

WHEAT – Local wheat prices were also mostly lower: SWW ranged from 20 cents lower to 15 cents higher; HRW ranged from 15 to 32 cents lower; and DNS ranged from 20 to 30 cents lower. Export sales won't be reported until tomorrow; however USDA released their export shipments report on Tuesday, showing a continuing lagging pace in export inspections... now totaling 61.9% of the USDA estimate for the marketing year compared to a five-year average pace of 64.2%.

Preliminary MY 2011 world wheat crop projections – The International Grains Council is projecting world wheat production in MY 2011 at 653 MMT, down 21 MMT from the current marketing year, but still the 3rd biggest crop on record.

Wheat Competitor/Buyer News – Argentine Ag Ministry raised their final wheat production estimate to 7.5 MMT this week, up from 7.0 MMT forecast last month. Saudi Arabia purchased 440 TMT of wheat this week, with likely Black Sea and EU origins. Kazakhstan announced its intention to sell up to 1.5 MMT of grain to Egypt. **Pending international wheat import tenders...** Iraq for 100 TMT, Jordan for 100 TMT and Bangladesh for 100 TMT.

CORN – Export sales won't be reported until tomorrow; however USDA released their export shipments report on Tuesday, showing better than expected corn inspections last week. Corn export shipments now total 29.2% of the USDA estimate for the marketing year compared to a five-year average of 36.5%.

Corn Competitor/Buyer News – Reports out of China this week that domestic corn is trading at near record prices in the northeast due to reduced stock levels and record high sugar prices. This situation suggests that China's drought-reduced crop was smaller than both official Chinese and U.S. estimates. Chinese corn exports in 2009 were pegged at 518 TMT, down 49% from the previous year. Argentine Ag Ministry lowered its corn planting estimate this week to 3.1 million hectares, down from last month's forecast of 3.16 million ha.

Futures market activity this week
--

WHEAT – Wheat began the lower on Tuesday in follow-through weakness from last week's bearish global stock report, with additional pressure from a stronger dollar. Wheat continue to drift modestly lower on Wednesday to the lowest level since mid October on a combination of factors, including disappointing export inspections and a 3rd consecutive day of dollar strength. Wheat finished mixed to modestly higher today (Thursday) as an early jump in the dollar reversed directions late in the trading session, providing support to wheat. **Wheat market closes on Thursday, 1/21/10.**

	Mar 2010	Weekly Summary	May 2010	Weekly Summary
Chicago	\$4.99 ½	Down \$.10 ½	\$5.13	Down \$.10 ½
Kansas City	\$5.03 ½	Down \$.08 ½	\$5.15	Down \$.08 ¾
Minneapolis DNS	\$5.12 ½	Down \$.07 ¾	\$5.24 ¾	Down \$.08

CORN – Corn began the week modestly lower on both Tuesday and Wednesday – trading both sides of the market – as substantial speculative selling and a higher dollar pushed the market lower while better than expected corn export shipments provided support. Corn finished modestly higher today (Thursday) with gains attributed to end user buying and a lower dollar late in the session. **Mar 2010 corn contract closed Thursday, 1/21/10, at \$3.72, up \$.00 ½ for the week and the May 2010 contact closed at \$3.82 ¾, up \$.00 ¼ for the week.**

Other Major Factors to Watch -

- § **Crude Oil** – Crude oil prices traded about a \$1 higher on Tuesday to \$79/bbl – just below the five day moving average – despite a higher dollar and concerns about continued Chinese growth. Prices slipped back on Wednesday in the face of continuing strength in the dollar and bearish fundamentals. The weekly inventory report was delayed until Thursday, showing a surprisingly bullish decline in both crude oil and distillate stocks, but prices were hammered hard by weakness in outside markets. Crude oil stocks fell by 400,000 bbls, compared to expected increase of 2.4 million bbls; distillates fell by 3.3 million bbls, compared to an expected unchanged level; while gasoline stocks continued to build – increasing by 3.9 million bbls, compared to an expected build of 2.0 million bbls.
- § **Fertilizer Outlook** – Wholesale fertilizer markets remain mostly quiet, although somewhat unsettled after some of the surprising USDA estimates last week. Lower commodity prices portends lower fertilizer demand and prices; however an expected large shift in Midwestern acres likely means more, not less, demand for nutrients. This acreage shift suggests that N fertilizer prices will trend higher into March. For now, ammonia prices at the Gulf project a farm-gate price of \$475-485/ton, with domestic supplies trading in the \$420 range. Urea at a farm-gate price of \$410-415. DAP is currently moving higher in the U.S. wholesale market to a farm-gate range of \$550-585, although dealers who bought in December likely have product available at \$450-485. Potash is the one bright spot, with weaker international prices pulling farm-gate prices lower to about \$435.
- § **U.S. weather / crop watch** – Winter wheat areas are experiencing mostly mild conditions with adequate moisture levels and protective snow cover for now. The first of two big storms began working its way through the Central U.S. on Wednesday, bringing snow, rain and some icing conditions.
- § **International weather / crop watch** –
 - § **Argentina / Brazil** – Warmer, drier conditions have entered the western growing region, but ample soil moisture is helping to avoid stress during pollination. Crop conditions remain favorable for both corn and soybeans in Brazil.
 - § **Canada** – About a third of the Canadian prairies is experiencing the driest winter on record.