

Idaho Grain Market Report, Feb. 7, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Feb. 6, 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	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$12.50	(2-R) \$13.02-\$13.25 (6-R) \$13.02	\$8.00	\$7.45	\$7.81
Blackfoot / Pocatello	\$12.08	(2-R) \$13.00 (6-R) \$13.00	\$8.10	\$7.90	\$8.05
Grace / Soda Springs	\$11.81	(2-R) NQ (6-R) NQ	\$8.15	\$7.86	\$8.04
Burley / Rupert	\$12.25-\$12.50	(2-R) \$13.02 (6-R) \$13.02	\$8.00-\$8.01	\$7.56	\$7.96
Hazelton					
Twin Falls / Eden / Buhl	\$13.00	(2-R) NQ (6-R) NQ	\$7.76	NQ	NQ
Weiser	\$11.75	(2-R) NQ (6-R) NQ	\$7.07	NQ	NQ
Nez Perce / Craigmont	\$11.00	(2-R) \$11.00 (6-R) \$11.00	\$8.75	\$8.57	\$8.84
Lewiston	\$11.25	(2-R) \$11.25 (6-R) \$11.25	\$8.28	\$8.76	\$9.03
Moscow / Genesee	\$11.05-\$12.25	(2-R) \$11.05 (6-R) \$11.05	\$8.05-\$8.75	\$8.53-\$9.23	\$8.80-\$9.49

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 \$8.55-\$8.76 ½ Aug NC \$7.82½- \$8.17¼	Feb \$8.78 ¾-\$9.00 ¾ Aug NC \$8.80-\$8.85	Feb \$9.39 ¾ -\$9.59 ¾ Aug NC \$9.44½-\$9.59 ½
Los Angeles	\$15.40	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.40	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.20	NQ	NQ	\$8.40	\$8.35	\$8.75
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$7.42-\$7.89	\$7.98-\$8.39
Minneapolis	\$10.83	NQ	\$14.69	NQ	\$9.29 ¾ (12%)	\$9.44 ¾ -\$9.54 ¾

Market trends this week

BARLEY – Local barley prices were mixed this week, ranging from 75 cents lower to 50 cents higher in southern Idaho and 25 cents lower to 40 cents higher in northern Idaho. USDA reported that there were no barley export sales last week; but export shipments totaled 300 MT for Taiwan.

Barley Competitor/Buyer News – Stats Canada reported Canadian barley stocks at 5.1 MMT, down 7% from a year earlier, despite a 1.5% increase in 2012 production.

WHEAT – Local wheat prices were mixed this week: SWW ranged from \$.03 lower to \$.58 higher; HRW ranged from \$.37 lower to \$.23 higher; and DNS ranged from \$.15 to \$.28 lower. USDA reported wheat export sales last week were within trade expectations at 300.8 TMT (290.8 TMT for MY 2012/13 and 10 TMT for 2013/14), down 1% from the previous week and 29% from the prior 4-week average. Cumulative wheat export sales now total 73.5% of the USDA estimate for the marketing year, compared to a 5-year average of 81%. Export shipments totaled 457.4 TMT, down 27% from the previous week but up 6% from the prior 4-week average.

Wheat Competitor/Buyer News – Stats Canada reported Canadian wheat stocks at 20.69 MMT, down slightly from a year ago and below the expected range of 21.5 to 22.6 MMT. Confirmation this week that Russia will lift its 5% wheat

import tariff until the beginning of new crop harvest. Brazil also announced they would allow 1 MMT of wheat from outside the Mercosur region to be imported duty-free. Over the weekend, Egypt bought 60 TMT of US wheat.

CORN – Corn export sales last week were below trade expectations – hitting a marketing year low at 160.4 TMT, down 10% from the previous week and 8% from the prior 4-week average. Cumulative corn export sales now total 56% of the USDA estimate for the marketing year, compared to a 5-year average of 66%. Export shipments last week totaled 208.7 TMT were down 66% from the previous week and 37% from the prior 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported a very modest uptick in weekly U.S. ethanol production to 774,000 bbls per day, up 0.5% from the previous week but down 16% from a year ago. Corn used for ethanol last week totaled 81.3 million bu, below the weekly pace of 87.3 million bu needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

Corn Competitor/Buyer News – CONAB revised their Brazilian corn production estimate higher this week from 72.2 MMT to 76 MMT. Stats Canada reported Canadian corn stocks reached a record high 10.4 MMT, up 10% from a year ago.

Futures market activity this week

Global macro-economic trends – After a two month spate of encouraging euro-zone economic news, this week brought rising concerns about political uncertainties in both Spain and Italy which drove bond yields sharply higher on Monday. However, bond yields quickly stabilized on Tuesday but heightened concerns remained. As expected, the European Central Bank held its benchmark interest rates unchanged this week, while the head of the ECB issued warnings of further downside economic risks for the euro-zone particularly from a stronger euro which could hurt exports from the region.

U.S. economic watch – Last Friday brought a mostly positive monthly jobs report (overall 2012 jobs gains were revised higher while January added 157,000 new jobs and the unemployment rate held mostly steady at 7.9%). This week's unemployment claims data showed a modest improvement from last week – down 5,000 to 366,000 but the 4 week average of 350,000 was considered encouraging as it is the lowest average since March 2008. Several major U.S. retailers reported stronger than expected January retail sales this week.

WHEAT – Wheat began the week lower on a weakening technical outlook and sluggish export inspection pace. Prices continued their downward slide on Tuesday on continuing technical weakness and profit-taking ahead of Friday's monthly S&D report. Wheat reversed early losses on Wednesday to close higher on talk of potential new export business, particularly to nontraditional customers. These gains could not be held, however, as wheat markets reversed moderately lower today (Thursday) under pressure from rain forecast for HRW region this weekend, disappointing export sales and further positioning ahead of Friday's monthly supply and demand report. **Wheat market closes on Thursday, 2/07/13 ...**

	<u>Mar 2013</u>	<u>Weekly Summary</u>	<u>May 2013</u>	<u>Weekly Summary</u>	<u>Dec 2013</u>	<u>Weekly Summary</u>
Chicago	\$7.56	Down \$0.09	\$7.63	Down \$0.10 ¼	\$7.84 ¼	Down \$0.19 ¾
Kansas City	\$8.01	Down \$0.21	\$8.12 ¼	Down \$0.21 ¼	\$8.46 ¼	Down \$0.21
Minneapolis	\$8.39 ¼	Down \$0.12 ½	\$8.51 ½	Down \$0.12 ¾	\$8.67 ½	Down \$0.13 ¼
DNS						

CORN – Corn futures posted modest losses on Monday in the face of very poor export inspections data – the lowest weekly level of the marketing year – with cumulative shipments slipping to only 33% of the USDA annual forecast compared to a 5-year average of 40%. Last Friday's Cattle Inventory Report also is raising some concerns about future livestock feed demand – total cattle and calves was down 2% from a year earlier and the smallest since 1952. Corn finished moderately lower on Tuesday in profit-taking and positioning ahead of Friday's monthly S&D which traders believe will result in lower exports and higher U.S. ending stocks. A higher dollar and increased chances of rain in Argentina next week resulted in further losses on Wednesday. Corn posted double digit losses today (Thursday) in continued liquidation in the face of very poor export sales and expectations that USDA will lower their export estimate in Friday's monthly supply and demand report. **Corn futures contract closes on Thursday, 2/07/13 for Mar 2013 at \$7.10 ¾, down \$0.25 ¼, May 2013 contact at \$7.12, down \$0.25 ¾ and the Dec 2013 contact at \$5.66 ½, down \$0.25 ½ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices traded in a very narrow channel this week – closely mirroring the dollar this week in the face of little fresh supportive news. Prices fell sharply on Monday to close down \$1.60 to \$96.17 on a higher dollar and weakness in equity markets triggered by renewed political concerns from the euro-zone region. Prices remained range-bound as the dollar fluctuated daily on news from Europe. DOE's weekly crude oil inventory report was mixed...showing crude oil stocks rising last week by 2.6 million bbls, in line with expectations; distillates stocks fell by 1.0 million bbls, compared to an expected decline of 625,000 bbls; and gasoline stocks increased by 1.738 million bbls, compared to an expected build of 900,000 bbls. **Crude oil prices closed sharply lower today (Thursday) – down \$0.79 to \$95.83 – in**

a volatile trading session marked by concerns about downside risks to the euro-zone economic recovery.

U.S. crop weather – Western Plains saw limited rain activity early in the week, but light showers moved through the Central U.S. on Thursday, bringing some limited relief to Eastern Kansas. Another rain and snow system is expected to move through the central U.S. this weekend, bringing widespread but mostly light showers to parts of Kansas, Oklahoma and Texas and a band of snow showers stretching from northeastern Colorado into Minnesota. The extended outlook shows the potential for subzero temperatures across parts of the central U.S. which bears watching.

Argentina / Brazil – The 1-5 day outlook remains dry for Argentina and southern Brazil but chances improve significantly for rain showers developing in northwestern Argentina in the 6-10 day outlook. Showers continued to delay soybean harvest in parts of Mato Grosso, which has raised concerns about delayed second crop corn planting. However, CONAB crop watchers appear to unconcerned about potential planting delays as they revised their Brazilian corn production estimate higher this week from 72.2 MMT to 76 MMT, which would be just slightly below last year's record crop.

You can view recent **Grain Marketing Webinars** conducted by the Idaho Barley Commission...

- **Jan. 17, 2013 - How to Hedge Grain Prices Using Recurring Trends & Market Cycles** - presented by Mr. Lan H. Turner, Gecko Software, Inc at <http://connect.cals.uidaho.edu/p71004116>
- **Nov. 20, 2012 - Executing a 2012/13 Grain Marketing Plan** – presented by Craig Corbett and Carley Garner, commodity broker, Las Vegas, NV at <http://connect.cals.uidaho.edu/p20437593/>
- **Oct. 30, 2012 - 2012/13 Grain Market Outlook & Understanding Technical Trends** – presented by Kelly Olson and Craig Corbett, Grace, ID at <http://connect.cals.uidaho.edu/p47995616/>