

Idaho Grain Market Report, Feb. 14, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Feb. 13, 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	\$12.00	(2-R) NQ (6-R) NQ	\$7.70	\$7.30	\$7.76
Idaho Falls	\$12.25	(2-R) \$13.25 (6-R) \$13.25	\$7.95	\$7.42	\$7.69
Blackfoot / Pocatello	\$12.08	(2-R) \$13.00 (6-R) \$13.00	\$8.00	\$7.60	\$7.83
Grace / Soda Springs	\$11.51	(2-R) NQ (6-R) NQ	\$8.07	\$7.46	\$7.75
Burley / Rupert	\$12.25-\$12.50	(2-R) \$13.25 (6-R) \$13.25	\$7.80-\$7.90	\$7.40	\$7.75
Hazelton					
Twin Falls / Eden / Buhl	\$12.45	(2-R) NQ (6-R) NQ	\$7.68	NQ	NQ
Weiser	\$13.26	(2-R) NQ (6-R) NQ	\$8.08	NQ	NQ
Nez Perce / Craigmont	\$10.85	(2-R) \$10.85 (6-R) \$10.85	\$7.99	\$8.42	\$8.73
Lewiston	\$11.10	(2-R) \$11.10 (6-R) \$11.10	\$8.18	\$8.61	\$8.92
Moscow / Genesee	\$10.90-\$12.00	(2-R) \$10.90 (6-R) \$10.90	\$7.95-\$8.72	\$8.38-\$9.07	\$8.69-\$9.39

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 \$8.48-\$8.70 ½ Aug NC \$7.65 ½ - \$8.00 ½	Feb \$8.86 ¼ -\$9.10 ¼ Aug NC \$8.58¾ - \$8.78 ¾	Feb \$9.27 ¼ -\$9.37 ¼ Aug NC \$9.28¾ - \$9.33 ¾
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	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$7.25-\$7.75	\$7.98-\$8.23
Minneapolis	\$10.73	NQ	\$14.58	NQ	\$8.35 ¼ (12%)	\$9.23

Market trends this week

BARLEY – Local barley prices were mixed this week with \$.55 lower to \$1.51 higher reported in southern Idaho and from \$.15 to \$.25 lower reported in northern Idaho. USDA reported barley export sales of .1 TMT for Taiwan last week as well as export shipments of .1 TMT for Taiwan.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from \$.76 lower to \$1.01 higher; HRW ranged from \$.40 to \$.03 lower; and DNS ranged from \$.10 to \$.29 lower. USDA reported wheat export sales last week were above trade expectations at 706.3 TMT (651.7 TMT for MY 2012/13 and 54.6 TMT for 2013/14), up 134% from the previous week and 54% from the prior 4-week average. Cumulative wheat export sales now total 76% of the USDA estimate for the marketing year, compared to a 5-year average of 83%. Export shipments totaled 576.5 TMT, up 26% from the previous week and 20% from the prior 4-week average.

USDA released their first 2013/14 baseline projections, showing wheat planted acres at 57.5 million, production at 2.19 billion bu and 2014 ending stocks of 733 million bu, compared to 691 million bu this year.

Wheat Competitor/Buyer News – French Farm Ministry is pegging their 2013 winter wheat area at 4.98 million hectares, up 3.1% from the previous year. Confirmation this week that Russia has imported grain from Kazakhstan, with further rumors that they are looking to import up to 1.5 MMT of grain before new crop harvest.

CORN – Corn export sales last week were within trade expectations, at 284.7 TMT (225.4 TMT for MY 2012/13 and 59.3 TMT for 2013/14), up 34% from the previous week and 2% from the prior 4-week average. Export sales need to total 348 TMT each week in order to meet the USDA's revised export projections for MY 2013. Export shipments last week totaled 392.3 TMT, up 88% from the previous week and 9% from the prior 4-week average.

USDA released their first 2013/14 baseline projections, showing corn planted acres at 96 million, production at 14.44 billion bu and 2014 ending stocks of 2.07 billion bu, compared to only 632 million bu this year.

Ethanol corn usage – DOE's Energy Information Agency reported another uptick in weekly U.S. ethanol production to 789,000 bbls per day, up 1.9% from the previous week but down 15% from a year ago. Corn used for ethanol last week totaled 82.9 million bu, below the weekly pace of 87.4 million bu needed to meet to USDA's annual projection of 4.5 billion bu in MY 2012/13.

Corn Competitor/Buyer News – India is actively selling feed wheat to South Korea, displacing U.S. corn.

Futures market activity this week

Global macro-economic trends – Gloomy news about the euro-zone economic outlook resurfaced this week, with their Q4 GDP slipping more than expected –down 0.6% vs. an expected decline of -0.4%, with all four major economies in the region – Germany, France, Italy and Spain - underperforming last quarter. Japan also reported an unexpected Q4 2012 GDP decline of 0.1% vs. an expected modest increase.

U.S. economic watch – Last Friday the U.S. trade gap was reported to have shrunk to the smallest level in nearly 3 years – down 21% m/m – with exports up more than 2%. This stronger than expected export number could suggest a revision higher in U.S. Q4 GDP (preliminary estimate showed an unexpected decline of -0.1%). U.S. retail sales rose for the third consecutive month in January – gaining 0.1% - but was lower than December due primarily to higher gas costs and an increase in the payroll tax. Weekly jobless claims continued to decline – falling more than expected this week to 341,000 - bringing the 4-week average to a 5-year low.

WHEAT – Wheat began the week trading down double digits under continued profit-taking pressure as an active storm system moved through parts of the Central U.S., improving soil moisture conditions in some winter wheat areas (particularly SRW). Negative technical signals and a wetter forecast for parts of the Western Plains continued to pressure wheat markets, pushing **prices to 7 month lows on Tuesday**. Wheat reversed higher on Wednesday on a more optimistic outlook for exports for the remainder of this marketing year (ends May 31) which was confirmed in a stronger than expected export sales report on Thursday. Wheat markets reversed direction again today (Thursday), closing down despite a much stronger than expected weekly export sales report. Pressure came from fund liquidations and a wetter forecast for next week. **Wheat market closes on Thursday, 2/14/13 ...**

	Mar 2013	Weekly Summary	May 2013	Weekly Summary	Dec 2013	Weekly Summary
Chicago	\$7.32	Down \$0.24 ¼	\$7.40 ¼	Down \$0.22 ¼	\$7.67	Down \$0.17 ½
Kansas City	\$7.75	Down \$0.24 ¾	\$7.86 ¾	Down \$0.24 ½	\$8.24 ½	Down \$0.21
Minneapolis	\$8.19 ¼	Down \$0.17	\$8.35	Down \$0.14 ¼	\$8.54	Down \$0.12
DNS						

CORN – Technical selling pushed corn prices lower to start the week, with further pressure from a continued lackluster export shipment pace and expectations of a much larger crop and carryover stocks in 2013/14. Profit-taking continued to pressure old crop contracts, along with improving moisture outlook for the Argentine crops this weekend and into next week. Corn rebounded from early losses to close fractionally mixed on Wednesday as near-by stocks remain tight but new crop stocks are expected to be plentiful. Corn posted fractional losses today (Thursday) under pressure from a sharply higher dollar, talk of some funds and European banks liquidating their commodity positions this week, as well as a lackluster export sales pace that continues to fall far short of the level needed to reach USDA's projection for the year. **Corn futures contract closes on Thursday, 2/14/13 for Mar 2013 at \$6.94 ¾, down \$0.14 ¼, May 2013 contact at \$6.92 ¾, down \$0.16 and the Dec 2013 contact at \$5.63 ¾, down \$0.21 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices traded sharply higher to start the week up \$1.31 to just over \$97, buoyed by strong investor enthusiasm across equity markets. Prices continued to climb on Tuesday – closing up another \$.48 to \$97.51 – with support from continued improvement in the macro-economic tone and a lower dollar. But gains could not be sustained on Wednesday, with prices reversing back to \$97 market as equity markets took a breather on renewed concerns about the European economy. DOE's weekly crude oil inventory report showed crude oil stocks rose last week by 560,000 bbls, well below an expected increase of 2.2 million bbls; distillates stocks fell more than expected at 3.7

million bbls; and gasoline stocks fell by 803,000 bbls. **Crude oil prices moved modestly higher today (Thursday) – closing up \$0.30 to \$97.31 – as early gains on reports that no agreement has been reached in IAEA and Iranian nuclear inspection negotiations eroded into the close on pressure from a higher dollar and mixed outside market tone.**

U.S. crop weather – A storm front moved out of the Rockies into Nebraska and Eastern Colorado this week, but moisture totals were disappointing. Official 6-10 day and 6-14 day forecasts are wetter for the Plains and Midwest, though coverage could continue to be disappointing in key HRW wheat areas.

Argentina / Brazil – A band of showers moved across central Argentina mid week but moisture levels were disappointing. There are better chances of widespread moisture expected this weekend. Rains in Brazil this week were centered in the south, which will be beneficial for double crop planting and germination. Mato Grosso was drier this week but heavy rains are expected to return next week.

Lewiston Grain Marketing Workshop on Monday, Feb. 25, 8 AM to 4 PM –featuring Kansas State Ag Economist Art Barnaby on **Risk Assessed Grain Marketing: Integrating Grain Marketing and Crop Insurance into a Comprehensive Risk Management Strategy**. Cost: \$25 per person. **Pre-registration is requested by February 22** by calling Lewis County Extension Office – Ken Hart at 208-937-2311.

Farm Succession & Estate Planning Course – Idaho Falls, ID (Feb. 28 through March 21) -

The University of Idaho Extension is offering a 4-week course for any operation that will undergo a change of leadership from one generation to another within the next few years. Topics in this course will include:

- Starting the Conversation
- Succession Planning – Passing the farm to the next generation.
- Retirement Planning – How can we pay for retirement?
- Estate Planning Tools – Trusts, Wills, Probate, Estate Taxes, Gifting, Business Structure, and many others.
- Guest Speakers: Accountant, Attorney, Insurance/Financial Planner

Location & Time: Bonneville County Extension Office – 2925 Rollandet, Idaho Falls

Dates: February 28, March 7, 14, 21, 2013 **Time:** 10:00 AM – 3:00 PM

Cost: \$100 per operation (includes lunch and class materials)

Pre-registration is requested by February 25. Please call the Teton County Extension Office 208-354-2961.

Grain Marketing Webinars are available on-line...

- **NEW...February 8, 2013 - Global Grain Market Outlook** - presented by Kelly Olson, Idaho Barley Commission at <http://connect.cals.uidaho.edu/p89861735/>
- **Jan. 17, 2013 - How to Hedge Grain Prices Using Recurring Trends & Market Cycles** - presented by 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/>