

Idaho Grain Market Report, February 20, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 19, 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
Ashton	NQ		(2-R) \$10.00 (6-R) \$10.00	NQ	NQ
Rexburg/ Ririe/ Roberts	\$7.75		(2-R) NQ (6-R) NQ	\$5.90	\$6.62
Idaho Falls	\$8.00		(2-R) \$11.50 (6-R) \$11.50	\$6.08	\$6.90
Blackfoot / Pocatello	NQ		(2-R) \$10.00 (6-R) \$10.00	\$6.10	\$6.44
Grace / Soda Springs	NQ		(2-R) NQ (6-R) NQ	NQ	NQ
Burley / Rupert	\$7.50		(2-R) NQ (6-R) NQ	\$6.05	\$6.71
Hazelton					\$6.94
Twin Falls / Eden / Buhl	NQ		(2-R) NQ (6-R) NQ	NQ	NQ
Weiser	NQ		(2-R) NQ (6-R) NQ	NQ	NQ
Nez Perce / Craigmont	\$6.25		(2-R) \$6.25 (6-R) \$6.25	\$6.27	\$7.44
Lewiston	\$7.05		(2-R) \$7.05 (6-R) \$7.05	\$6.58	\$7.45
Moscow / Genesee	\$5.85-\$6.20		(2-R) \$6.20 (6-R) \$6.20	\$5.92-\$6.35	\$7.10-\$7.52
					\$7.31-\$7.72

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 \$7.20-\$7.38 ½ Aug NC \$6.75 ½ - \$6.95 ½	Feb \$8.46 ¾-\$8.51 ¾ Aug NC \$7.39 ¾- \$7.59 ¾	Feb \$8.49 ½ -\$8.59 ½ Aug NC \$7.49-\$7.69
Los Angeles	\$10.90	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.90	NQ	NQ	NQ	NQ	NQ
Ogden	\$7.90	NQ	NQ	\$6.30	\$7.00	\$7.86
Great Falls	\$6.25-\$6.50	NQ	\$9.50	NQ	\$6.62-\$6.75	\$6.85-\$6.89
Minneapolis	\$7.71	NQ	\$11.77	NQ	\$8.16 ¾ (12%)	\$8.59 ½-\$8.99 ½

Market trends this week

BARLEY – Local barley prices were mostly higher again this week with southern Idaho locations reporting a range of no change to 15 cents higher and northern Idaho also reporting no change to 15 cents higher. USDA will not report weekly export sales until Friday due to Monday's President's Day holiday.

WHEAT – Local wheat prices were mixed this week: SWW ranged from \$.24 lower to \$.17 higher; HRW ranged from \$.14 lower to \$.28 higher; and DNS ranged from \$.128 lower to \$.21 higher. Wheat export shipments last week were on the low end of expectations at only 267 TMT, and below the needed pace to reach USDA's projection for the year. Export sales will be reported tomorrow. At their Annual Outlook Conference held today, USDA is projecting U.S. wheat acres at 55.5 million in 2014, down 1.2% from last year and an average market price of \$5.30.

Wheat Competitor/Buyer News - Canadian wheat acres are expected to be down 6% this year to 24.7 million due to lower prices and shipping logistical challenges. India's Farm Minister is projecting their 2014 wheat crop will reach a record 95.6 MMT.

CORN – Corn export shipments were strong again last week at 812 TMT, but still below the weekly pace needed to reach USDA's projection for the year. Cumulative corn export shipments have reached nearly 40% of the yearly projection, compared to 42.6% for 5-year average. **USDA will report export sales tomorrow. At their Annual Outlook Conference held today, USDA is projecting U.S. corn acres at 92 million in 2014, down 3.6% from last year and an average market price of \$3.90.**

Ethanol corn usage – DOE's Energy Information Agency reported another modest uptick in U.S. ethanol production last week – up 1,000 bbls to 903,000 bpd – up 0.11% from the previous week and up 13.3% from last year. Corn used for ethanol totaled 94.8 million bu, still lagging behind the weekly pace of 97.3 million bu needed to meet the USDA projection of 5.0 billion bu for the marketing year.

Corn Competitor/Buyer News – Ukrainian uprising may slow their corn export activity over the short term.

Futures Market trends this week

U.S. economic news – There are definite signs of slowing U.S. economic growth...housing starts fell by 16% in January, more than double expectations which could be partially attributed to extremely cold temperatures across much of the midsection and northeastern U.S. But new building permits also fell by 5.4% considerably worse than the expected decline of 1.6%. Today's news was mixed...Federal Reserve's Philadelphia Manufacturing Index fell more than expected but Leading Economic Indicators was in line with expectations.

WHEAT – Wheat prices moved solidly higher early in the week on continued short covering. Intensifying drought conditions in parts of the Central and Southern Plains provided underlying support. However technicals indicate the wheat contracts are moving toward an overbought condition which should be watched closely. Wheat prices finished mixed today (Thursday) under the weight of profit-taking, increased producer selling and a lack of fresh supportive news. **Wheat market closes on Thursday, 2/20/14 ...**

Mar 2014	Weekly Summary	May 2014	Weekly Summary	Dec. 2014	Weekly Summary
Chicago SRW \$6.16 ¼	Up \$0.17 ¾	\$6.13 ½	Up \$0.17 ¼	\$6.38 ¼	Up \$0.17 ¼
KC HRW \$6.91 ¾	Up \$0.17 ¼	\$6.83 ¾	Up \$0.17 ¾	\$6.91 ½	Up \$0.17 ¼
MGE DNS \$6.81 ¾	Up \$0.15 ¼	\$6.60 ½	Up \$0.13 ½	\$6.79 ½	Up \$0.13

CORN – Corn moved modestly higher all week, reaching a 4 month high as the managed funds build a small long position in corn futures. Some traders think \$5 corn is just around the corner as corn remains historically cheap compared to soybeans and corn needs to move higher to buy some acres. Support also came from strong export shipments and ideas that Ukrainian corn exports may slow as their country is mired in civil unrest. Corn prices finished modestly higher today (Thursday) on more short covering. **Corn futures contract closes on Thursday, 2/20/14 for Mar. 2014 contract at \$4.55 ¾, up \$0.10 ½ for the week, May 2014 contract closed at \$4.62 ¼, up \$0.11 ½ and the Dec. 2014 contract closed at \$4.68 ¾, up \$0.09 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil traded sharply higher early in the week reaching a 4 ¼ month high, but then moved mostly sideways into mid week. Support came from another round of cold temperatures across much of the country which is driving increased demand for distillate stocks as well as declining crude inventories at Cushing, OK now that the southern Keystone pipeline is moving oil from Cushing to the Gulf coast refineries. DOE's weekly inventory report showed crude oil stocks increased by 973,000 bbls last week, compared to an expected build of 2.25 million bbls; distillates fell by 339,000 bbls, compared to expected decline of 2.1 million bbls; and gasoline stocks increased by 209,000 bbls, compared to an expected decrease of 850,000 bbls. **Crude oil futures finished down \$0.39 today to close at \$102.92/bbl.**

INTERNATIONAL WEATHER / CROP PROGRESS -

South America – Rain continued across key Argentine production areas and was forecast to move northward into southern Brazil by the weekend, providing relief for dry areas which have recently experienced moisture stress.

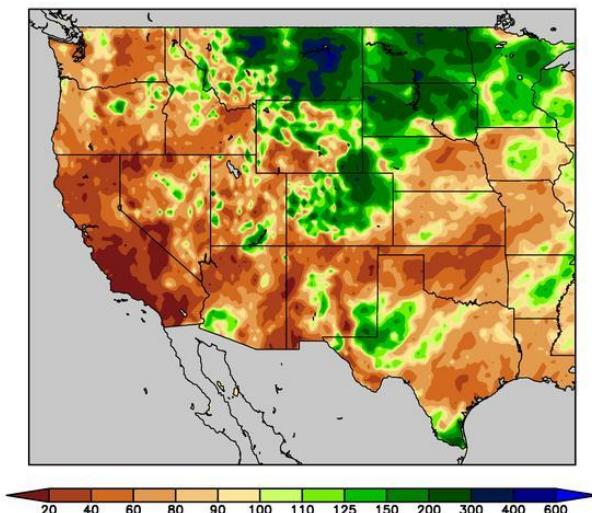
ENSO-Neutral global weather pattern persists but with some notable La Nina Influences – After some clear warming of the Eastern Equatorial sea surface temperatures experienced in December which was indicative of an

emerging El Niño cycle, we are now seeing the opposite signs of seas surface cooling, which many meteorologists blame for the harsh winter wheat that has gripped the Upper Midwest and Northeast in the past 6 weeks. Although there is not specific prediction of a La Niña Cycle there is evidence of influences, including recent moisture in the Pacific Northwest and intensifying drought across the Southwest and Southern Great Plains. As depicted below the U.S. hard red winter wheat growing region is significantly short of normal winter precipitation,

Martell Crop Projections

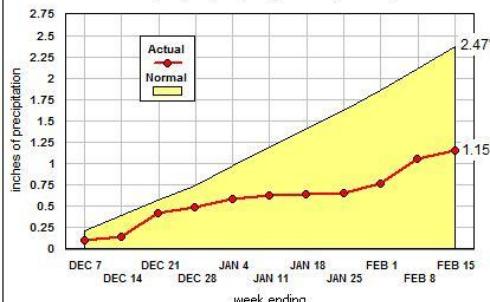
90-day Precipitation Analysis

Percent of normal through 19 February 2014

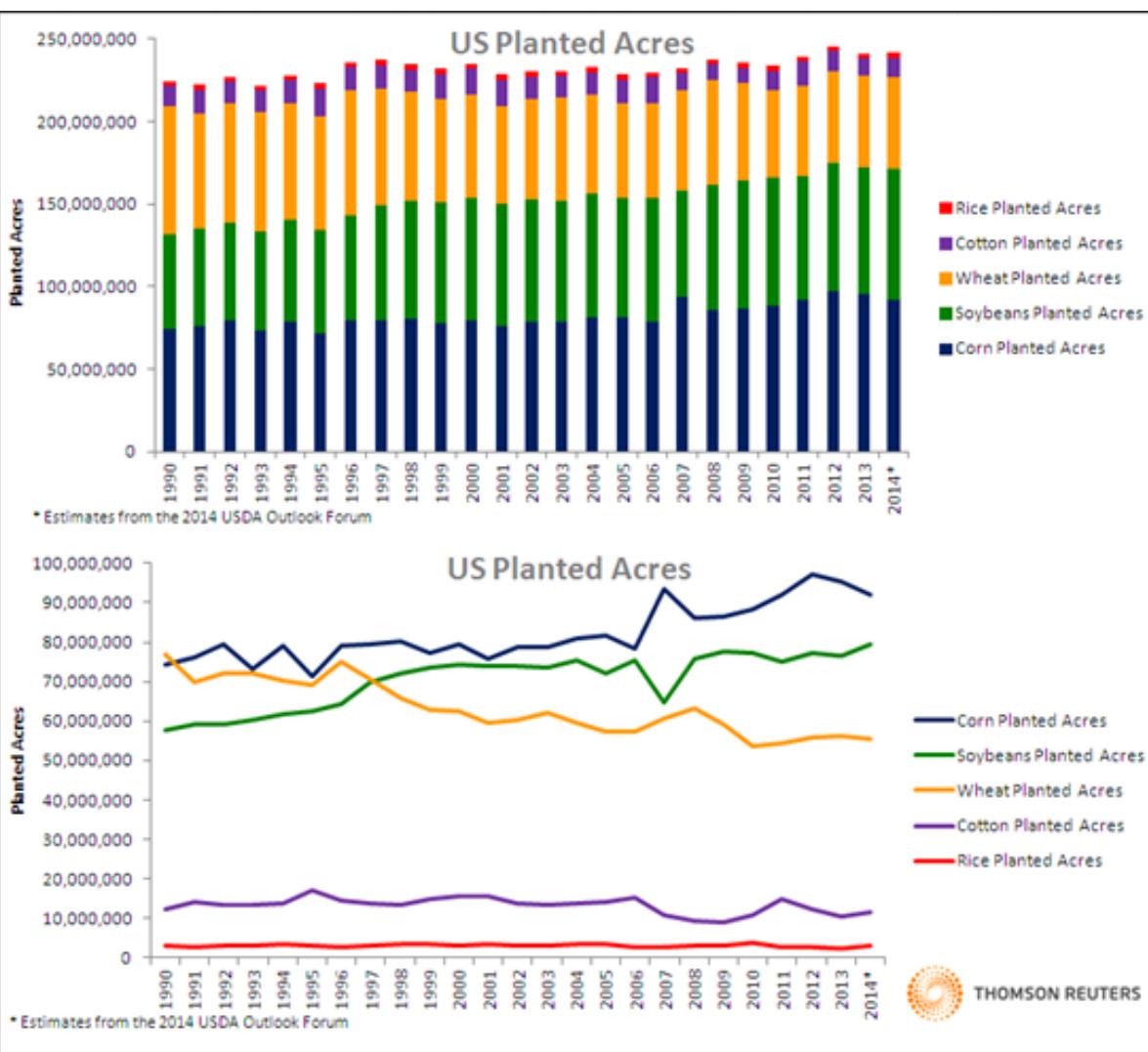


Hard Red Wheat Precipitation vs Normal (inches)

KS, OK, TX, NE, CO, MT weighted avg



Source National Climatic Data Center NOAA



IBC Educational Webinars

Feb. 24 webinar at 8:30 a.m. MST “Irrigation Efficiencies in a Water Short Year” presented by Dr. Howard Neibling, UI Kimberly. Connect at <http://connect.cals.uidaho.edu/barley>

Mar. 4 webinar at 7:00 p.m. MST “Right Risk: Evaluating Risk Management Options and Using Enterprise Risk Analyzer Tools” presented by Dr. Jay Parsons, Optimal Ag/Colorado State University. Connect at <http://connect.cals.uidaho.edu/barley>

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/>