

## Idaho Grain Market Report, February 25, 2010

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 24, 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	\$5.80	(2-R) NQ (6-R) NQ	\$4.10	\$4.00	\$5.43
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.10	\$5.15	\$5.59
Blackfoot / Pocatello	\$5.52	(2-R) \$6.50 (6-R) NQ	\$4.05	\$4.27	\$5.51
Grace / Soda Springs	\$5.75-\$6.25	(2-R) NQ (6-R) NQ	\$4.05	\$3.98-\$4.08	\$5.33-\$5.52
Burley / Rupert	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.90	\$4.06	\$5.35
Hazelton					
Twin Falls / Eden / Buhl	\$5.50-\$6.65	(2-R) NQ (6-R) NQ	\$3.56-\$4.00	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$3.71	NQ	NQ
Nez Perce / Craigmont	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.15	\$4.92	\$6.15
Lewiston	\$5.55	(2-R) \$5.55 (6-R) \$5.55	\$4.34	\$5.11	\$6.34
Moscow / Genesee	\$5.15-\$6.75	(2-R) \$5.15 (6-R) \$5.15	\$4.11-\$4.78	\$4.88-\$5.45	\$6.11-\$6.80

### 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	Feb \$4.60-\$4.75 Aug NC \$4.60-\$4.70	Aug NC \$5.60-\$5.65	Feb \$6.76-\$6.85 Aug NC \$6.28-\$6.41
Los Angeles	\$8.45	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.45	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.27	NQ	NQ	\$4.27	\$4.15	\$5.64
Great Falls	\$5.00-\$5.40	NQ	\$6.00	NQ	\$3.71-\$3.78	\$5.48-\$5.90
Minneapolis	\$5.00	NQ	NQ	NQ	\$4.95 ¾ (12%)	\$7.22 ¾ -\$7.32 ¾

### Market trends this week

**BARLEY** – Local barley prices were mostly steady, ranging from no change to 26 cents higher in southern Idaho and unchanged in northern Idaho. USDA reported barley export sales last week at 15.5 TMT for Canada. Barley export shipments totaled .2 TMT also for Canada.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 25 cents lower to 3 cents higher; HRW ranged from 26 cents lower to 38 cents higher; and DNS ranged from 4 cents lower to 24 cents higher. U.S. wheat export sales last week were in line with trade expectations at 375.7 TMT, which was down 8% from the previous week and 26% from the prior 4-week average. Export sales for MY 10/11 totaled 33.3 TMT. Wheat export shipments totaled 459.7 TMT, up 26% from the previous week and 9% from the prior 4-week average. Cumulative wheat export sales now total 86.7% of the USDA projection for the marketing year, compared to a five-year average of 86.1%

**International Grains Council MY 2009/10 and 2010/11 projections** – In their monthly supply and demand estimates, the IGC increased current MY 2010 world wheat production by 1 MMT to 675 MMT but left carryover stocks unchanged at 197 MMT. They are **projecting world wheat planted area in 2010 (MY 2010/11) will fall by .8% to 222 million**

**hectares**, assuming trend line yields production is projected at 659 MMT. They are projecting U.S. wheat production at 54 MMT, compared to USDA's estimate last week at 52.9 MMT (1.945 billion bushels).

**Wheat Competitor/Buyer News** – Russian wheat stocks are estimated at 20 MMT compared to 23 MMT a year ago. Canadian Wheat Board released its 2010 projections this week showing lower Canadian wheat production this year, but indicated there was still enough wheat to meet global needs in the coming year. **International wheat import tenders**...Bangladesh re-tendered for 70 TMT of wheat this week and also announced it was seeking 300 TMT of wheat from the Black Sea region.

**CORN** – Corn export sales last week were below trade expectations at 401.3 TMT, down 59% from the previous week and 55% from the prior 4-week average. Export sales for MY 10/11 totaled 50 TMT. Corn export shipments on the other hand hit a marketing year high at 1.2 MMT, up 90% from the previous week and 71% from the prior 4-week average. Cumulative corn export sales now total 61.5% of the USDA projection for the marketing year, compared to a five-year average of 65.1%

**International Grains Council MY 2009/10 and 2010/11 projections** – IGC raised their current MY 2009/10 world corn production estimate by 6 MMT this month to 797 MMT and raised carryover stocks by 3 MMT to 140 MMT. They are projecting world corn planted area in 2010 (MY 2010/11) will increase by 1.6%, with bigger crops projected for the U.S., CIS and South America.

**Corn Competitor/Buyer News** –The Buenos Aires Grain Exchange lifted its Argentine corn production estimate this week to 20.2 MMT, compared to last week's estimate of 19.3 MMT. South Korea purchased 110 TMT of U.S. corn this week.

#### Futures market activity this week

**Economic uncertainty has resurfaced on a spate of negative news in recent days, which has a tendency to push the dollar higher and pull investment money out of equities and commodities.** The headlines this week included a sharp drop in new home sales in January – down 11.9% compared to an expected increase of 3.5% - as well as an unexpected drop in the consumer confidence reading to 46.0 versus an expected reading of 55.0 and last month's 55.9. This was capped off by congressional testimony by Federal Reserve Chairman Ben Bernanke who confirmed that interest rates would need to stay low for an extended period to aid economic recovery.

**WHEAT** – Wheat began the week sharply higher on Monday, buoyed by another round of short covering and better than expected export inspections. Profit-taking pushed prices sharply lower on Tuesday, with additional pressure coming from a stronger dollar which was boosted by mixed economic news and renewed concerns about European sovereign debt problems. Prices chopped higher again on Wednesday boosted by substantial fund buying and continued short covering. Wheat finished sharply lower today (Thursday) on fund selling that was triggered by weakness across a broad spectrum of equities and commodities. **Wheat market closes on Thursday, 2/25/10.**

	<b>Mar 2010</b>	<b>Weekly Summary</b>	<b>May 2010</b>	<b>Weekly Summary</b>
Chicago	\$4.89 <sup>3</sup> / <sub>4</sub>	Unchanged	\$5.03 <sup>3</sup> / <sub>4</sub>	Down \$.00 <sup>1</sup> / <sub>4</sub>
Kansas City	\$4.96 <sup>3</sup> / <sub>4</sub>	Down \$.01 <sup>1</sup> / <sub>2</sub>	\$5.07 <sup>1</sup> / <sub>2</sub>	Down \$.01 <sup>3</sup> / <sub>4</sub>
Minneapolis DNS	\$5.03	Down \$.05 <sup>1</sup> / <sub>2</sub>	\$5.16 <sup>1</sup> / <sub>4</sub>	Down \$.03 <sup>1</sup> / <sub>4</sub>

**CORN** – Corn rallied sharply to the highest level in a month on Monday, with support from substantial fund buying which triggered buy stops and short covering. Strong export inspections also provided underlying support. Corn prices slipped modestly lower on Tuesday under pressure from bearish outside influences, including sharply lower crude oil and equities. However, corn prices pushed higher on Wednesday on early weakness in the dollar and concerns about a potential cold wet spring and possibility of flooding in the Northwest Corn Belt. Corn finished modestly lower today (Thursday) on fund selling and disappointing export sales. **Mar 2010 corn contract closed Thursday, 2/25/10, at \$3.72 <sup>1</sup>/<sub>4</sub>, up \$.12 <sup>1</sup>/<sub>4</sub> for the week and the May 2010 contact closed at \$3.83 <sup>1</sup>/<sub>4</sub>, up \$.11 <sup>1</sup>/<sub>2</sub> for the week.**

#### Other Major Factors to Watch -

- **Crude Oil** – Crude oil began the week on a rally, climbing back above \$80, but then lost steam under pressure from a firmer U.S. dollar and lower equities as economic confidence slips again. Wednesday's weekly inventory report was mixed...crude oil stocks saw a bearish increase of 3.034 million bbls, compared to expected increase of 1.9 million bbls; distillates fell 591,000 bbls, compared to an expected draw of 1.5 million bbls; and gasoline stocks fell 895,000 bbls, compared to an expected increase of 1.0 million bbls.
- **Fertilizer** – Based on relatively tight inventories held by manufacturers, retail prices for most nutrients are creeping higher just as farmers are booking their spring needs. Ammonia prices could be poised for another surge higher, with retail prices running well above spot prices (Gulf spot is \$393 for March and farm-gate up to \$600). Urea prices have softened slowly with Gulf spot prices at about \$320 and farm-gate in the \$365-\$460 range. DAP inventories increased in the past month but are still well below average, keeping prices firm. Gulf spot is \$425 and farm-gate \$435-\$520. Potash inventories have increased recently with retail prices in the \$430-\$510 range though demand could push these prices higher.
- **U.S. weather** – Calm, cool weather prevailed across much of the Midwest this week but two chances for precipitation are expected by Monday, mostly in the southern region, although areas of the northwestern Midwest could see

another 4 to 8 inches of snow. The official 6-10 day outlook shows warmer and drier pattern creeping into the Midwest, followed by a return of colder weather mid month through much of the balance of March. This colder pattern could delay snow melt until April for much of the northwestern Midwest, and raises the possibility of spring flooding due to the abundant snowpack and potential ice jams.

▪ **International weather / crop watch –**

- **Argentina / Brazil –** Argentina saw fairly significant weekend showers and heavy storms continued in some areas into Tuesday, causing some localized flooding and raising concerns about harvest delays. A drier weather pattern developed mid week across much of the country, with cooler temperatures (no frost expected).

## **BARLEY CROP INSURANCE / RISK MANAGEMENT SEMINARS**

### **Presented by Premier Insurance (Blackfoot) and Idaho Barley Commission**

Barley Crop Insurance Updates / New Specialty Type Barley Policy – Tracy Hawker and Steve VanOrden

Malt Contract Pricing Strategies and Other Risk Management Tools – Kelly Olson and Craig Corbett

**March 9 – 8:30 am at Trails Inn in Ashton, lunch will be served**

**March 10 – 8:30 am at Meridian Center, 310 N. Meridian St. (near CAL store), Blackfoot, lunch will be served**

**RSVP by calling Diane or Jessica at Premier Insurance, 208-782-1464.**

### **Presented by Mountain States Insurance (Soda Springs) and Idaho Barley Commission**

Barley Crop Insurance Updates / New Specialty Type Barley Policy – Mark Andreason

Malt Contract Pricing Strategies and Other Risk Management Tools – Kelly Olson and Craig Corbett

**March 11 – 8:00 am at Geyser View Restaurant, Soda Springs, breakfast will be served**

**RSVP by calling Kelly at Idaho Barley Commission, 208-334-2090.**