

Idaho Grain Market Report, March 7, 2013

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 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	\$12.00	(2-R) NQ (6-R) NQ	\$7.65	\$7.20	\$7.75
Idaho Falls	\$12.25	(2-R) \$13.25 (6-R) \$13.25	\$7.80	\$7.15	\$7.96
Blackfoot / Pocatello	\$11.66	(2-R) \$13.00 (6-R) \$13.00	\$7.60	\$6.94	\$7.54
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert	\$12.25-\$12.50	(2-R) \$13.25 (6-R) \$13.25	\$7.85	\$7.15	\$7.72
Hazelton					
Twin Falls / Eden / Buhl	\$12.65-\$12.75	(2-R) NQ (6-R) NQ	\$7.63-\$8.20	NQ	NQ
Weiser	\$12.00	(2-R) NQ (6-R) NQ	\$7.83	NQ	NQ
Nez Perce / Craigmont	\$10.35	(2-R) \$10.35 (6-R) \$10.35	\$8.14	\$8.22	\$8.82
Lewiston	\$10.60	(2-R) \$10.60 (6-R) \$10.60	\$8.33	\$8.41	\$9.01
Moscow / Genesee	\$10.40-\$12.00	(2-R) \$10.40 (6-R) \$10.40	\$8.10-\$8.80	\$8.18-\$8.81	\$8.78-\$9.48

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	Mar \$8.68 - \$8.80 Aug NC \$7.63 ¾- \$7.68 ¾	Mar \$8.72 ¾-\$8.77 ¾ Aug NC \$8.15-\$8.20	Mar \$9.40 ½-\$9.55½ Aug NC \$8.79-\$8.84
Los Angeles	\$15.25	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$15.25	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.10	NQ	NQ	\$8.50	\$7.78	\$8.30
Great Falls	\$8.00-\$11.00	NQ	\$12.75	NQ	\$6.92-\$7.47	\$7.61-\$8.33
Minneapolis	\$10.94	NQ	\$13.54	NQ	\$7.97 ¾ (12%)	\$9.00 ½-\$9.15 ½

Market trends this week

BARLEY – Local barley prices were mixed again this week with \$1.00 lower to \$.25 higher reported in southern Idaho and \$.25 lower to no change reported in northern Idaho. USDA reported barley export sales of 9 TMT for Japan last week and export shipments also totaled 9 TMT for Japan.

WHEAT – Local wheat prices were also mixed again this week: SWW ranged from 5 cents lower to 70 cents higher; HRW ranged from 30 cents lower to 31 cents higher; and DNS ranged from 7 cents lower to 27 cents higher. USDA reported wheat export sales last week were [well above trade expectations](#) at 1,087 TMT (888.5 TMT for MY 2012/13 and 198.5 TMT for 2013/14), which was up 44% from the previous week and 52% from the prior 4-week average. Export shipments hit a marketing year high at 787.1 TMT, up 3% from the previous week and 29% from the prior 4-week average.

USDA is expected to cut U.S. wheat exports and raise ending stocks in Friday's S&D report.

Wheat Competitor/Buyer News – India is considering allowing an extra 5 MMT of wheat to be exported from government stocks to make way for their new crop which is expected to be near record output. Saudi Arabia purchased 465 TMT hard wheat and 110 TMT soft wheat from the U.S., EU and Australia.

CORN – Corn export sales last week were **well below trade expectations**, at 653.3 TMT (282.3 TMT for MY 2012/13 and 371 TMT for 2013/14) which was down considerably from the previous week; however it was up 34% from the prior 4-week average. Export shipments last week totaled 408.2 TMT, up 11% from the previous week and 24% from the prior 4-week average.

USDA is expected to cut U.S. corn exports and raise ending stocks in Friday's S&D report.

Ethanol corn usage – DOE's Energy Information Agency reported a modest downtick in U.S. ethanol production last week to 805,000 bbls per day, down 0.86% from the previous week and down 11.2% from a year ago.

Corn Competitor/Buyer News – On Monday, USDA announced a single day sale of 110 TMT old crop corn to an unknown destination. CONAB is projecting Brazilian corn crop at 76.1 MMT, well above USDA's estimate last month of 72.5 MMT. Traders expect USDA to raise their Brazilian estimate only modestly tomorrow.

Futures market activity this week

Global macro-economic trends – The news out of China was mixed this week... on the one hand the government announced new measures to cool an overheated housing market but also pledged to boost stimulus spending by 10% in order to maintain its GDP growth target of 7.5%. European news also was mixed...the aftermath of divided election in Italy continued to pressure equities, but Germany and the euro-zone both posted better than expected growth in services PMI. European leaders also signaled some new flexibility in easing austerity measures imposed on troubled euro-zone nations, immediately easing bond rates in Portugal, Spain and Italy.

U.S. economic watch – U.S. economic data was good across the board this week...the ISM manufacturing index gained 1.1% last month, better than expected and the strongest pace since June 2011, followed by a stronger than expected ISM services index on Wednesday. The Federal Reserve Beige Book showed modest to moderate growth in 10 of the 12 districts, underscored by strong auto sales, continued housing recovery and an increase in consumer spending despite an increase in payroll taxes and higher gas prices in January. The estimate for private sector job growth also came in better than expected, while factory orders for core capital goods jumped more than 7%, the biggest gain in more than a year. Expectations of better job growth in Friday's monthly employment report tracks with Thursday's news that weekly first time jobless claims fell to 340,000, a five year low and well below expectations. However, the biggest headline news this week is the rally on Wall Street that is catapulting the Dow Jones to a record high, climbing above the old high posted in October 2007.

WHEAT – Wheat began the week trading sharply lower as a heavy snow system pushed into the Northern Plains and Ohio River Valley, diminishing the area suffering from exceptional drought. Prices posted a reversal higher on Tuesday on mostly spillover support from soybeans, which surged higher on a over-heated export pace. But gains were short-lived as wheat prices plunged on Wednesday as crop conditions improve from recent storms and expectations of another wet system moving through the Western Plains by this weekend. Wheat finished solidly higher today (Thursday) with support from better than expected wheat export sales and a lower dollar which could help boost further export gains in the coming weeks, as U.S. soft wheat remains the cheapest on the market right now. **Wheat market closes on Thursday, 3/7/13 ...**

	May 2013	Weekly Summary	July 2013	Weekly Summary	Dec 2013	Weekly Summary
Chicago	\$6.95 ½	Down \$0.25	\$6.99	Down \$0.23 ¼	\$7.20 ½	Down \$0.22
Kansas City	\$7.34 ½	Down \$0.21 ½	\$7.41 ¼	Down \$0.19 ¾	\$7.72	Down \$0.16
Minneapolis	\$7.95 ½	Down \$0.09 ¾	7.95	Down \$0.14 ¾	\$7.99 ½	Down \$0.15 ½
DNS						

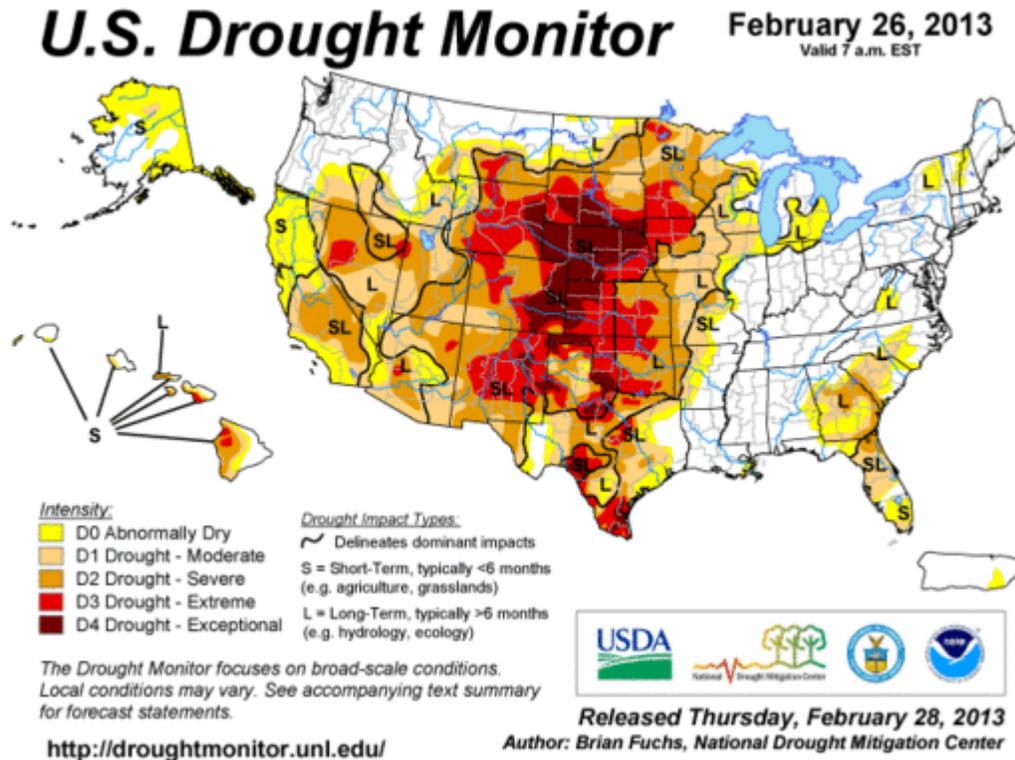
CORN – Corn posted moderate losses on Monday under pressure from demand concerns which were offset by strong cash prices. Export inspections improved from recent weeks, but still remained well under the pace needed to meet USDA's estimate for the year. Cumulative corn export shipments now total 40.5% of the USDA estimate, compared to a 5-year average of 47%. Prices moved higher on Tuesday in a combination of spread trading and spillover support from soybeans. Wednesday saw bearish pressure from a long liquidation triggered by positioning ahead of Friday's monthly S&D report and the sharp rally on Wall Street which is pulling money out of commodities into equities. Improving weather conditions also added pressure. Corn posted very modest gains today (Thursday), after trading on both sides in positioning ahead of Friday's S&D report. Gains were limited by a very poor export sales report. **Corn futures contract closes on Thursday, 3/7/13 for May 2013 at \$6.91 ¼, down \$0.17 ¼, July 2013 contract at \$6.72 ½, down up \$0.14 ½ and the Dec 2013 contract at \$5.41 ¾, down \$0.15 for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices continued to trade in a very narrow channel this week, but remained mostly supported by the stock market rally and improving economic signals. There was added uncertainty from tight supply concerns in the North Sea region and Venezuela President Chavez's death, but more than adequate inventories limited gains. DOE's weekly crude oil inventory report showed crude oil stocks increased by 3.833 million bbls, well above the expected gain of 788,000 bbls; distillates stocks decreased by 3.83 million bbls, compared to an expected draw of 1 million bbls; and

gasoline stocks fell by 616,000 bbls, compared to an expected decline of 1.0 million bbls. **Crude oil prices moved \$1.13 higher to close at \$91.56, boosted by a positive outside market forces and a lower dollar.**

U.S. crop weather – Another wet snowy storm system pushed into the Northern Plains early this week, moving eastward into the Great Lakes, Ohio River Valley and Atlantic seaboard by mid week. Some key areas received 5 or more inches of beneficial moisture, helping to slowly shrink the area covered by exceptional drought, as noted in the latest U.S. Drought Monitor. Another storm system is expected to move across the Central Plains by the weekend, bringing needed moisture to dry areas of eastern Colorado, southern Nebraska and northern Kansas. However the updated forecast reduced the moisture amounts in this latest storm expected to arrive by Friday evening.



IBC WEBINAR FRIDAY MORNING, MARCH 8 AT 8:30 AM (MST) – Barley, Alfalfa and Livestock Crop Insurance Options – presented by Dave Paul, director, Risk Management Agency Spokane Regional Office. **To participate from your own computer, log onto: <http://connect.cals.uidaho.edu/barley>.**

Archived 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/>