

Idaho Grain Market Report, March 17, 2011

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 16, 2011. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>		<u>Wheat (bu.)</u>		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$11.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$10.00	(2-R) NQ (6-R) NQ	\$6.40	\$6.45	\$9.27
Idaho Falls	\$9.00	(2-R) \$11.25-\$11.50 (6-R) \$11.25	\$6.20	\$6.65	\$9.60
Blackfoot / Pocatello	\$9.89	(2-R) \$11.50 (6-R) NQ	\$6.75	\$6.02	\$9.28
Grace / Soda Springs	\$9.94	(2-R) NQ (6-R) NQ	\$6.60	\$6.77	\$9.56
Burley / Rupert Hazelton	\$9.80-\$10.00	(2-R) \$11.25 (6-R) \$11.25	\$6.10-\$6.50	\$6.28	\$9.11
Twin Falls / Eden / Buhl	\$10.50-\$11.00	(2-R) NQ (6-R) NQ	\$6.35	NQ	NQ
Weiser	NQ	(2-R) NQ (6-R) NQ	\$5.69	NQ	NQ
Nez Perce / Craigmont	\$9.35	(2-R) \$9.35 (6-R) \$9.35	\$6.29	\$7.88	\$10.75
Lewiston	\$9.60	(2-R) \$9.60 (6-R) \$9.60	\$6.48	\$8.07	\$10.94
Moscow / Genesee	\$9.40-\$10.50	(2-R) \$9.40 (6-R) \$9.40	\$6.25-\$6.50	\$7.84-\$8.24	\$10.71-\$11.11

Trading 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	May \$6.65-\$7.00 Aug NC \$6.50-\$6.65	Mar \$7.88-\$8.18 Aug NC \$7.99-\$8.04	Mar \$10.46-\$10.71 Aug NC \$9.19-\$9.49
Los Angeles	\$13.25	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$13.25	NQ	NQ	NQ	NQ	NQ
Ogden	\$10.25	NQ	NQ	\$6.85	\$7.05	\$9.50
Great Falls	\$8.50-\$8.75	NQ	\$11.00	NQ	\$5.49-\$5.90	\$9.22-\$9.58
Minneapolis	\$9.58	NQ	\$12.08	NQ	\$7.56 (12%)	\$10.66- \$11.06

Market trends this week

BARLEY – Local barley prices were mixed this week ranging from \$.25 lower to \$.50 higher in southern Idaho and from \$.50 to \$.75 lower in northern Idaho. USDA reported that there were no barley export sales or shipments last week.

WHEAT – Local wheat prices were lower this week: SWW ranged from \$.30 to \$.96 lower; HRW ranged from \$.14 to \$.97 lower; and DNS ranged from \$.55 to \$1.16 lower. USDA reported that wheat export sales last week were above trade expectations at 663.7 TMT for the current market year (plus sales of 195.1 TMT for MY 2011/12), up 15% from the previous week, but down 3% from the prior 4-week average. Wheat export shipments totaled 690.7 TMT, up 17% from the previous week and 7% from the prior 4-week average.

Wheat Competitor/Buyer News – Tunisia purchased 25 TMT this week, while other importers in the region have tenders pending, including Jordan for 100 TMT and Bangladesh for 50 TMT.

CORN – USDA reported corn export sales last week were well above trade expectations at 1.04 MMT (plus sales of 300.8 TMT for MY 2011/12), up considerably from the previous week and up 1% from the prior 4-week average. Corn export shipments last week totaled 800.6 TMT, down 27% from the previous week and 6% from the prior 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported that U.S. ethanol production last week totaled 895,000 barrels per day, up 1.36% from last week and up 5.67% from a year ago. This is the second consecutive week of higher ethanol production, reinforcing the idea that ethanol production is back on track after the recent downturn resulting from higher corn prices.

Futures market activity this week

Fear trumped fundamentals this week....Outside markets remained very negative this week as investor worries intensified in the wake of last Friday's massive earthquake and subsequent nuclear reactor problems in Japan. These fears precipitated aggressive fund and speculative liquidation across the board in equities, energies and commodities, which in turn triggered sell-stops which accelerated the losses in most of these markets. Conditions stabilized on Thursday with investors returning to the riskier assets on ideas that these markets had become oversold in recent days.

WHEAT – Wheat markets began the week modestly higher on ideas that the recent sell-off had created an oversold technical situation. Forecasts of warm and dry conditions persisting in the western half of the HRW production region also provided underlying support. However, widespread investor worries about the continuing Middle East turmoil and the economic and nuclear fall-out from Japan's massive earthquake precipitated a broad sell-off in commodities through mid week. Wheat finished sharply higher today (Thursday) on a rebound in global equity markets, sharply lower dollar and better than expected weekly export sales. **Wheat futures market closes on Thursday, 03/17/11...**

	May 2011	Weekly Summary	July 2011	Weekly Summary
Chicago	\$7.10 ¼	Down \$0.08 ½	\$7.45 ¼	Down \$0.05 ½
Kansas City	\$8.31	Up \$0.08	\$8.41 ¾	Up \$0.08
Minneapolis DNS	\$8.54 ¾	Down \$0.03 ¾	\$8.65 ¼	Down \$0.01 ½

CORN – Corn moved fractionally higher on Monday, breaking a streak of 6 straight days of losses on talk of declining Chinese corn stocks and lower than expected corn production in Brazil. But the sharp downturn resumed on Tuesday, widely attributed to general macroeconomic uncertainty about recent events and possible impacts on future demand. Worries that the devastating destruction from Japan's earthquake will result in lower near-term corn imports by that country, the world's single largest buyer of U.S. corn, added significantly to the very negative tone. Corn posted double digit gains today (Thursday) on a significant turnaround in outside markets and better than expected weekly export sales. **May 2011 corn futures contract closed Thursday, 03/17/11, at \$6.46 ½, down \$0.17 ¾ and the July 2011 contact closed at \$6.53 ¾, down \$0.17 for the week.**

OTHER MAJOR FACTORS TO WATCH –

- **CRUDE OIL** – Crude oil prices began the week slightly higher – closing up \$.03 to \$101.19//bbl – stabilizing after early session weakness that was triggered by widening economic uncertainty. Crude oil prices collapsed on Tuesday – down \$4.01 to close at \$97.18/bbl – on deepening fears about Japan's situation following Friday's massive earthquake sweeping through a wide range of riskier assets including energies. Clearly the immediate focus in this market has shifted from potential Middle East supply disruptions to the bad news on the economic front and concerns about the potential impact of future demand. Wednesday saw prices stabilize again – closing up \$.80 to \$97.98/bbl – as escalating turmoil in Libya and Bahrain bounced back into the headlines. DOE's weekly petroleum inventory report remained mixed, showing another bigger than expected build in crude oil stocks coupled with a larger than expected draw on distillates and gasoline inventories...crude oil stocks increased by 1.75 million bbls compared to an expected increase of 1.0 million bbls; distillates fell by 2.6 million bbls compared to an expected draw of 1.4 million bbls; and gasoline stockpiles fell 4.17 million bbls compared to an expected draw of 1.5 million bbls.
- **U.S. WEATHER / CROP WATCH** –Western and Southern Plains saw only minor precipitation this week, with the current forecast showing that at least one-half of the Hard Red Winter production region continuing to suffer a significant moisture deficit. The Eastern Plains expects to see rains next week, while the southwestern region remains dry and warm. The Kansas wheat crop did see a slight improvement in their crop condition rating this week, up 1% to 26% good/excellent compared to 63% a year ago. Oklahoma's rating was up 5% to 27% good/excellent.