

Idaho Grain Market Report, March 18, 2010

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 17, 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	\$6.00	(2-R) NQ (6-R) NQ	\$4.25	\$4.05	\$5.75
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.30	\$4.02	\$5.78
Blackfoot / Pocatello	\$5.73	(2-R) \$6.50 (6-R) NQ	\$4.00	\$3.90	\$5.66
Grace / Soda Springs	\$6.04	(2-R) NQ (6-R) NQ	\$3.87	\$3.77	\$5.36
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.80-\$3.95	\$3.97	\$5.60
Twin Falls / Eden / Buhl	\$5.80-\$6.65	(2-R) NQ (6-R) NQ	\$3.48-\$4.00	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$3.71	NQ	NQ
Nez Perce / Craigmont	\$4.85	(2-R) \$4.85 (6-R) \$4.85	\$4.20	\$4.77	\$6.45
Lewiston	\$5.30	(2-R) \$5.30 (6-R) \$5.30	\$4.39	\$4.96	\$6.64
Moscow / Genesee	\$4.90-\$6.00	(2-R) \$4.90 (6-R) \$4.90	\$4.16-\$4.90	\$4.73-\$5.35	\$6.41-\$6.97

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	Mar \$4.65-\$4.85 Aug NC \$4.75-\$4.85	Mar \$5.33-\$5.37	Mar \$6.85-\$7.05
Los Angeles	\$8.15	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.15	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.12	NQ	NQ	\$4.21	\$4.07	\$4.76
Great Falls	\$4.80-\$5.00	NQ	\$6.00	NQ	\$3.49-\$3.67	\$5.82-\$6.15
Minneapolis	\$4.37	NQ	NQ	NQ	\$4.93 ¼ (12%)	\$7.10 ¼ - \$7.30 ¼

Market trends this week

BARLEY – Local barley prices were mostly lower, ranging from unchanged to 15 cents lower in southern Idaho and 25 to 65 cents lower in northern Idaho. USDA reported no barley export sales for last week, while barley export shipments totaled .4 TMT, all for Canada.

WHEAT – Local wheat prices were mostly higher this week: SWW ranged from 15 cents lower to 25 cents higher; HRW ranged from unchanged to 15 cents higher; and DNS ranged from 6 to 39 cents higher. U.S. wheat export sales last week were above trade expectations at 325.3 TMT, down 20% from the previous week, but up 1% from the prior 4-week average. Export sales for MY 10/11 totaled 114 TMT. Wheat export shipments totaled 257.4 TMT, down 52% from the previous week and 44% from the prior 4-week average. Cumulative wheat export sales now total 90.5% of USDA export target for MY 2010, compared to a five year average of 89.8%.

Wheat Competitor/Buyer News – Reports indicate that India may be attempting to export 2 to 3 MMT of wheat from its domestic wheat reserve which reportedly has doubled since last year. Algeria purchased 300 TMT of optional origin wheat this week, while Tunisia purchased just 25 TMT on a 75 TMT tender for soft wheat.

CORN – Corn export sales last week were above trade expectations at 747.6 TMT, up 221% from the previous week and 21% from the prior 4-week average. Corn export shipments totaled 955.3 TMT, down 1% from the previous week and 2% from the prior 4-week average. Cumulative corn export sales now total 68.6% of USDA's export target for MY 2010, compared to a five year average of 70.1%.

Corn Competitor/Buyer News – South Korea resumed purchasing U.S. corn this week, buying 550 TMT.

Futures market activity this week

WHEAT – Wheat began the week moderately lower under a combination of poor weekly export inspections and weak outside markets. The dollar chopped higher due to continuing turmoil in the euro which put pressure on a broad spectrum of commodities, but particularly wheat. Prices turned higher on Tuesday due mostly to short covering that was triggered by a surge in soybeans and a weaker dollar. There were also growing concerns about the possibility of significant flooding in the Upper Midwest and the impact on spring wheat acres, although a spring wheat weather premium appears to be premature at this early stage. Wheat added to its gains on Wednesday on supportive outside market forces. Wheat finished lower today (Thursday) under pressure from a higher dollar that was sparked by renewed worries about Greek debt problems and technical weakness in the wheat charts. **Wheat market closes on Thursday, 3/18/10 ...**

	May 2010	Weekly Summary	July 2010	Weekly Summary
Chicago	\$4.89 ¼	Up \$.04	\$5.01 ¾	Up \$.03 ¾
Kansas City	\$4.95	Up \$.00 ¼	\$5.05 ¾	Up \$.00 ¼
Minneapolis DNS	\$5.14 ½	Up \$.01	\$5.25 ¾	Up \$.01 ½

CORN – Corn began the week modestly lower after attempting an early rally under pressure from a higher dollar and sharp break in crude oil. Losses were limited by better than expected weekly export inspections and underlying uneasiness about potential flooding and spring planting delays. Corn prices turned modestly higher on Tuesday, boosted by a lower dollar and a strong rally in crude oil. Corn extended its gains on Wednesday on strength in equities and crude oil, pushing above the 50-day moving average on the long-term continuation charts. Corn shrugged off early weakness from a surging dollar and managed to settle modestly higher today (Thursday) on support from better than expected weekly export sales and concerns about the spring weather outlook. The National Weather Service issued its latest long-range outlook which is projecting below normal temps for parts of the upper Mississippi River Valley for April – August. **May 2010 corn contract closed Thursday, 3/18/10, at \$3.76, up \$.11 ¾ for the week and the July 2010 contact closed at \$3.87, up \$.12 ½ for the week.**

Near-term Commodity Outlook –

Traders have a close eye on the **USDA March 31 prospective planting and quarterly grain stock reports**. For now, the wheat charts have turned decidedly bearish, while some major analysts, including Golden Sachs, have turned bullish on corn, due to rising crude oil prices. Goldman is projecting corn prices will rise by 29% to \$4.75 in the next year as global corn stocks as a percentage of consumption continue to tighten.

Other Major Factors to Watch -

- **Crude Oil** – Crude oil broke below \$80/bbl on Monday for the first time in two weeks under pressure from a higher dollar. Crude reversed direction and posted strong gains on both Tuesday and Wednesday with support from increased optimism about economic recovery. Wednesday's petroleum stocks report was mostly neutral to somewhat bullish...showing crude oil stocks increased by 1.012 million bbls, compared to expected increase of 1.15 million bbls; distillates fell 1.491 million bbls, compared to an expected draw of 1.35 million bbls; and gasoline stocks fell 1.71 million bbls, compared to an expected draw of 1.25 million bbls.
- **U.S. weather** – Mostly warmer and drier weather prevailed across the Central U.S. this week but was expected to give way to a cooler and wetter pattern by this weekend. Updated models show this new storm system could slip further south, bypassing parts of the Upper Midwest which are already facing near record flooding threats. Recent warmer temps have quickly melted heavy snowpack in the Northwestern edge of the Corn Belt, causing localized flooding with most of the concern centered on the eastern Dakotas along the Red River, James River and Vermillion River and central Iowa along the Des Moines River and Raccoon River. Another storm system is expected in the 6-10 day period but is likely to take a southern route. Meanwhile much of the HRW crop has broken dormancy in good shape with KS wheat crop ratings now at 63% good/excellent compared to 60% a week ago. OK crop is rated 68% g/ex compared to 65% last week and the TX crop is 55% g/ex, up 10% pts from last week.
- **International weather / crop watch** –
 - **Europe** – Continued cold temps and periodic light snows from Germany into the Baltics are keeping winter grain crops dormant. Winter grains in Italy and Spain received favorable moisture to spur development.
 - **Former Soviet Union** – Widespread wintry weather has boosted moisture reserves but is delaying early spring fieldwork. Ukraine reports that recent frosts and ice have damaged about 2% of their winter wheat crop.
 - **Middle East** – Unseasonably warm weather is accelerating winter grain development, while soil moisture levels remaining adequate.
 - **Northern Africa** – Widespread rains continue to maintain favorable growing conditions.
 - **Argentina / Brazil** – Argentina saw recent dry conditions favoring corn harvest, although some areas like La Pampa and western Buenos Aires have received heavy rains which have delayed crop dry down and harvest. About 30-45% of the corn crop is harvested in the central regions.