

Idaho Grain Market Report, April 26, 2012

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 25, 2012. 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) \$12.00 (6-R) \$12.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$9.50	(2-R) NQ (6-R) NQ	\$6.00	\$5.88	\$7.56
Idaho Falls	\$11.00	(2-R) \$12.50-\$13.50 (6-R) \$12.50	\$6.00	\$5.78	\$7.80
Blackfoot / Pocatello	\$10.41	(2-R) \$12.00 (6-R) \$12.00	\$6.05	\$5.45	\$7.56
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$9.50-\$10.00	(2-R) \$13.02 (6-R) \$13.02	\$6.15-\$6.20	\$5.70	\$7.64
Twin Falls / Eden / Buhl	\$10.20	(2-R) NQ (6-R) NQ	\$5.70	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.17	NQ	NQ
Nez Perce / Craigmont	\$8.85	(2-R) \$8.85 (6-R) \$8.85	\$6.49	\$6.76	\$8.62
Lewiston	\$9.10	(2-R) \$9.10 (6-R) \$9.10	\$6.68	\$6.95	\$8.81
Moscow / Genesee	\$8.90-\$10.40	(2-R) \$8.90 (6-R) \$8.90	\$6.45-\$7.10	\$6.72-\$7.47	\$8.58-\$9.37

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	Apr \$7.00-\$7.10 Aug NC \$6.50-\$6.60	Apr \$7.32-\$7.62 Aug NC \$6.95-\$7.03	Apr \$9.31-\$9.36 Aug NC \$8.77-\$9.02
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$10.00	NQ	NQ	\$6.25	\$5.91	\$7.76
Great Falls	\$8.00-\$9.80	NQ	\$11.50	NQ	\$5.17-\$5.51	\$7.97-\$8.20
Minneapolis	\$10.83	NQ	\$14.69	NQ	\$7.02 (12%)	\$9.26-\$9.36

Market trends this week

BARLEY – Local barley prices were mixed this week, ranging from no change to 70 cents lower in southern Idaho and no change to 15 cents higher reported in northern Idaho. USDA reported that there were no export sales or export shipments last week.

Barley Competitor/Buyer News – Stats Canada has pegged Canadian barley acres in 2012 at 7.97 million, up 23% from last year.

WHEAT – Local wheat prices were also mixed this week: SWW ranged from no change to 45 cents higher; HRW ranged from 5 cents lower to 7 cents higher; and DNS ranged from 14 to 38 cents lower. USDA reported wheat export sales last week were above trade expectations at 744 TMT (386.7 TMT for MY 2011/12 and 357.3 TMT for MY 2012/13), up 6% from the previous week and 7% from the 4-week average. Export shipments totaled 617.7 TMT, down 2% from the previous week but up 29% from the 4-week average.

International Grains Council's S&D projections for next Marketing Year 2012/13 - WHEAT – IGC released its monthly global grain balance sheet today, lowering world wheat production by 5 MMT this month to 676 MMT due to lower

crop prospects in the European Union. This represents a 3% decline in production from a year ago. Carryover stocks were cut by 2 MMT this month to 206 MMT, which would be 2% below this year.

Wheat Competitor/Buyer News – Stats Canada has pegged Canadian wheat acres at 24.3 million this year, up 14% from last year. India is now projecting a record wheat crop in excess of 90 MMT. By contrast, the UN Food and Agriculture Organization pegs the Ukrainian wheat crop sharply lower this year at only 8.3 MMT. The Ukrainian Ag Meteorological Service has forecast their wheat crop at 11 to 14 MMT.

CORN – Corn export sales last week were within trade expectations at 826.2 TMT (645.6 TMT for MY 2011/12 and 180.6 TMT for MY 2012/13), which was up 115% from the previous week and 11% from the 4-week average. Corn export shipments last week totaled 700.2 TMT, down 37% from the previous week and 13% from the 4-week average.

International Grains Council's S&D projections for next Marketing Year 2012/13 - CORN – 2012 world corn production was left unchanged this month at a record high 900 MMT, up 4% from this year, with production likely exceeding consumption for the first time in the past 4 years. Carryover stocks were increased by 6 MMT this month to 135 MMT.

Ethanol corn usage – DOE's Energy Information Agency reported U.S. ethanol production last week continued to slide, totaling 865,000 bbls per day, down 2.15% from the previous week and down 2.04% from last year. Corn used for ethanol last week totaled 92.1 million bu, now below the weekly pace of 94.2 mbu needed to reach USDA's usage estimate of 5.0 billion bushels for the year.

Corn Competitor/Buyer News – The Buenos Aires Grain Exchange lowered its Argentine corn crop estimate by 1 MMT to 19.8 MMT this week, compared to USDA's mid April estimate of 21.5 MMT. Chinese corn imports in the first quarter of 2012 surged to 1.74 MMT, an amount equal to the entire imports for the previous year. USDA confirmed this week that China had purchased 262.5 TMT U.S. corn (90 TMT old crop and 172.5 TMT new crop) plus two other confirmations of U.S. corn to unknown destinations - 480 TMT of old crop and 420 TMT of new crop. Taiwan was reported to have purchased 60 TMT of Brazilian corn this week.

Futures market activity this week

Macroeconomic news – Euro debt worries were back on the front burner as markets opened on Monday as weekend political events sparked concerns about the political will to undertake more austerity measures. Euro-zone manufacturing index also fell this month to the lowest level in 5 months. Despite these elevated concerns, the yields on Spanish and Italian debt continued to decline this week and consumer confidence in France unexpectedly rose well above expectations to a 17 month high. Chinese manufacturing data also were weak this month, showing a 6th consecutive month of contraction.

U.S. economic news – After some disappointing economic reports last week, on Friday we saw positive news that U.S. leading economic indicators posted a larger than expected and 6th consecutive month gain in March. News on the housing market also showed some improvement this week as pending home sales jumped 4.1% last month to the best level in nearly two years. The Federal Reserve confirmed this week that the U.S. economy continued to expand at a moderate pace, but warned that uncertainties still exist tied to the European debt crisis. The Fed reaffirmed their commitment to hold interest rates at historically low levels through the end of 2014 and said they were prepared to take other measures if the economy showed signs of faltering, which broadly supported markets as many analysts continue to believe that another round of quantitative easing might be on the horizon. The Fed hiked their U.S. GDP estimate for 2012 to 2.4-2.9% from their January forecast of 2.2-2.7%. They also lowered their unemployment estimate from 8.2-8.5% to 7.8-8.0%.

WHEAT – Wheat markets began the week on a strong note, pushing higher on a combination of oversold condition and concerns for a freeze threat early next week in the soft red winter wheat region sparking a fresh round of short covering. Gains could not be sustained, however, as prices closed fractionally lower on Tuesday after early gains from positive outside markets were erased into the close. Spillover pressure from lower corn was the main feature. Wednesday saw similar choppy trading with early gains from higher soybeans and equities evaporating mid-session on a profit-taking sell-off in corn. Wheat finished mostly higher today (Thursday) with the exception of MGE spring wheat which closed sharply lower. A late session bounce was attributed to short covering sparked by stronger than expected weekly export sales, spillover support from corn and some weather uncertainties in the U.S., Ukraine and Southern Russia. **Wheat market closes on Thursday, 04/26/12...**

	May 2012	Weekly Summary	July 2012	Weekly Summary
Chicago	\$6.26	Up \$0.10 ¼	\$6.35 ½	Up \$0.12 ½
Kansas City	\$6.39 ¼	Up \$0.13 ¼	\$6.50	Up \$0.14 ½
Minneapolis DNS	\$7.67 ¾	Down \$0.23 ¼	\$7.73	Down \$0.21 ¼

CORN – Corn posted double digit gains on Monday on fresh speculative and commercial buying on a slightly slower than expected corn planting pace and continued talk of large scale Chinese buying which was underscored by a USDA

confirmation of a sale of 120 TMT of new crop corn to an unknown destination, widely believed to be China. Tuesday and Wednesday saw choppy sessions in which early gains from positive outside markets were erased into the close despite further confirmation of additional Chinese purchases. Corn posted double digit gains today (Thursday) as late technical buying emerged on support from a firm cash market and strong weekly export sales. **May 2012 corn futures contract closed Thursday, 04/26/12, at \$6.24, up \$0.11 ½ and the July 2012 contact closed at \$6.07 ½, up \$0.04 ½ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil futures traded in a narrow range this week, with a focus on investor nervousness about slowing manufacturing activity in both China and Europe. Monday saw prices move down \$0.77 to close at \$103.11 under pressure from a global equity sell off sparked by political uncertainties in Europe that have renewed concerns that the euro-zone debt crisis will worsen before it gets better. Prices trended higher on Tuesday – closing up \$0.44 at \$103.55 on a weaker US dollar and easing European concerns as borrowing costs declined in both Spain and the Netherlands. Prices continued to shop higher on Wednesday – closing up \$0.57 to \$104.12 – boosted by an overall improvement in outside market sentiment and reports that Iran might be considering halting their nuclear plans. Gains were limited by another bearish weekly inventory report which showed crude oil stocks building for a 5th consecutive week. DOE reported crude oil stocks increased more than expected at 3.978 million bbls last week, compared to an expected build of 2.5 million bbls. Distillate stocks fell by 3.1 million bbls, compared to an expected gain of 500,000 bbls and gasoline inventories fell 2.2 million bbls, compared to an expected draw of 1.5 million bbls. **Crude oil extended its gains today (Thursday) - closing up \$.43 to \$104.55 - on support from better than expected pending home sales and higher U.S. equities.**

U.S. WEATHER / CROP WATCH –

Pacific Northwest – this region saw warmer temperatures this week followed by another round of rain showers which has benefitted winter grain development and spring grain emergence.

Midwest - Corn & SRW wheat – Showers moved through the Upper Mississippi and Ohio River Valleys mid week followed by two more systems expected on Friday/Saturday and early next week. Rains slowed planting in some areas but were beneficial in recharging soil moisture in this region which experienced a very dry winter. Temps are expected to drop to near freezing in the Great Lakes and upper Ohio River Valley on Sunday and Monday, potentially affecting about 10% of the SRW wheat belt. More showers are in the 11-15 day period, causing only minor planting delays.

Winter wheat (HRW) – Scattered showers covered parts of the central and southern Plains this week, keeping moisture deficits to a minimum (about 10% of the HRW belt) and rains are expected to linger into the first half of the 6-10 day period but may miss the western third. Temps turned very hot and windy in West Texas mid week, causing yield concerns in that area. **The winter wheat crop condition index score this week was pegged at 365, up 2 points from the previous week, up 83 points from last year and up 39 pts from the 10-year average.**

INTERNATIONAL WEATHER / CROP WATCH -

- **Europe –** More widespread showers benefitted winter and spring grains across England, France, Italy and Spain this week.
- **Ukraine/Russia –** Crop conditions are beginning to show stress in parts of Ukraine and southern Russia where unseasonably warm temps and limited rainfall are becoming a concern. The forecast is trending dry for this region for the next 10 days. The northeastern 2/3 of Russia is expected to see beneficial moisture next week.
- **Northern Africa –** Recent rainfall has benefitted filling winter grains in Morocco, Algeria and Tunisia.
- **Middle East –** Continued shower activity benefitted winter grains.
- **China –** Showers continued to benefit reproductive winter wheat.

USDA Crop Progress / Condition Report, April 23, 2012

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	50% planted	33%	17%	27%			
ID barley	62% planted	43%	43%	44%			
US spring wheat	57% planted	37%	6%	19%			
ID spring wheat	70% planted	48%	45%	49%			
US winter wheat	42% headed	29%	20%	15%	63%	64%	35%
ID winter wheat	0%	NA	0%	0%	80%	87%	
Corn	28% planted	17%	8%	15%			