

Idaho Grain Market Report, May 20, 2010

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 19, 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	\$4.00	\$3.83	\$5.06
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.05	\$3.81	\$5.06
Blackfoot / Pocatello	\$6.25	(2-R) \$6.50 (6-R) NQ	\$3.90	\$3.76	\$5.19
Grace / Soda Springs	\$6.01	(2-R) NQ (6-R) NQ	\$3.87	\$3.69	\$4.97
Burley / Rupert Hazelton	\$5.25-\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.80-\$3.90	\$3.70	\$4.98
Twin Falls / Eden / Buhl	\$5.70	(2-R) NQ (6-R) NQ	\$3.55	NQ	NQ
Weiser	\$5.85	(2-R) NQ (6-R) NQ	\$3.89	NQ	NQ
Nez Perce / Craigmont	\$4.85	(2-R) \$4.85 (6-R) \$4.85	\$4.09	\$4.54	\$5.80
Lewiston	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.28	\$4.73	\$5.99
Moscow / Genesee	\$4.90-\$6.25	(2-R) \$4.90 (6-R) \$4.90	\$4.05-\$4.80	\$4.50-\$5.22	\$5.76-\$6.48

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	May \$4.70-\$4.75 Aug NC \$4.65-\$4.75	May \$5.22-\$5.24 Aug NC \$5.18-\$5.28	May \$6.42-\$6.47 Aug NC \$5.98-\$6.26
Los Angeles	\$8.35	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.35	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.09	NQ	NQ	\$4.15	\$4.90	\$5.15
Great Falls	\$4.50-\$5.00	NQ	\$5.75	NQ	\$3.56-\$3.69	\$4.29-\$4.37
Minneapolis	\$4.58	NQ	\$6.56	NQ	\$4.61 ³ / ₄ (12%)	\$6.11 ³ / ₄ -\$6.76 ³ / ₄

Market trends this week

BARLEY – Local barley prices were mixed ranging from 16 cents lower to 10 cents higher in southern Idaho and 5 cents higher in northern Idaho. USDA reported that there were no barley export sales or shipments last week.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from steady to 20 cents lower; HRW ranged from 12 to 23 cents lower; and DNS ranged from 10 to 39 cents lower. U.S. wheat export sales last week were within trade expectations at 455.7 TMT, of which 250.5 TMT was sold for shipment in the current marketing year, up 3% from the previous week and 37% from the prior 4-week average. Export sales for new marketing year 2010/11 totaled 205.2 TMT. Wheat export shipments totaled 335.6 TMT, down 35% from the previous week and 22% from the prior 4-week average.

Wheat Competitor/Buyer News – Iraq says it will only need to import about half of its total wheat needs this year, down from recent years due to a favorable domestic crop which has been pegged at 2.5 MMT. Algeria purchased 500 TMT of wheat this week, all EU origin in response to lower euro values.

CORN – U.S. corn export sales were above trade expectations at 1.593 MMT, with 1.35 MMT sold for shipment in the current marketing year, up 65% from the previous week and 1% from the prior 4-week average. Corn export shipments last week totaled 978.9 TMT, down 5% from the previous week and 1% from the prior 4-week average.

Corn Competitor/Buyer News – China auctioned nearly 1.2 MMT of their corn reserves this week, with 796 TMT reported sold. Corn prices on the Dalian Exchange traded at record high levels this week. Meanwhile, COFCO was believed to have purchased at least 2 additional cargoes of US corn this week, with USDA confirming an export sale on Wednesday for 124 TMT to “unknown” destinations.

Futures market activity this week

WHEAT – Wheat prices began the week moderately lower under pressure from continued strength in the U.S. dollar and generally weak outside markets. Modest losses were extended on Tuesday in the face of a higher dollar and little fresh supportive news. However, losses were limited by unfavorable weather developing in Central and Southern Plains areas. Wheat posted modest gains on Wednesday as the dollar broke sharply lower and the markets began focusing on emerging global crop concerns (Former Soviet Union and Canada). A sharp drop in the dollar pushed wheat prices fractionally higher today (Thursday) despite sharp losses in financial and other markets. **Wheat market closes on Thursday, 5/20/10...**

	July 2010	Weekly Summary	Sept 2010	Weekly Summary
Chicago	\$4.69 ³ / ₄	Down \$.01 ³ / ₄	\$4.86 ³ / ₄	Down \$.02
Kansas City	\$4.92 ¹ / ₂	Up \$.01 ¹ / ₂	\$5.04	Down \$.01 ³ / ₄
Minneapolis DNS	\$5.14 ³ / ₄	Up \$.02	\$5.26 ¹ / ₂	Up \$.02 ¹ / ₂

CORN – Corn began the week sharply lower on mostly fear-drive speculative selling which has both financial and commodity markets on edge. Corn prices turned higher on Tuesday on talk of more Chinese purchases and a disappointing crop condition rating, however gains were limited by a higher dollar and continued slide in crude oil prices. Corn closed fractionally lower on Wednesday on a mostly favorable weather outlook which shows a substantial warm-up through the end of the month which will help spur corn crop emergence and development. Corn finished moderately higher today (Thursday) after shrugging off strong headwinds from outside markets. Support was noted from a lower dollar and stronger than expected corn export pace. Corn’s price objective is to re-establish the July contract back above \$3.65/bu. **July 2010 corn contract closed Thursday, 5/20/10, at \$3.62, down \$.01 for the week and the Sept 2010 contract closed at \$3.69¹/₂, down \$.00 ³/₄ for the week.**

Other Major Factors to Watch -

- **Crude Oil** – Crude oil continued its roller coaster ride this week, hitting a five month low on Monday under pressure from a stronger dollar which has been boosted in recent weeks by investor worries about the unresolved sovereign debt crisis in Europe. Prices continued under pressure Tuesday on selling triggered by a higher dollar and triple digit losses on Wall Street. Prices recovered from early weakness to close back above \$72/bbl on Wednesday with support from a friendly weekly inventory report. Wednesday’s weekly petroleum report showed weekly crude oil stocks increased by 162,000 bbls, compared to an expected build of 500,000 bbls; distillates fell 979,000 bbls, compared to an expected build of 1.0 million bbls; and gasoline stocks fell 294,000 bbls, compared to an expected draw of 900,000 bbls. Crude oil prices collapsed today (Thursday) under investor panic selling.
- **U.S. weather /crop watch** – Some wild weather swept through parts of the Central and Southern Plains midweek, bringing moderate to heavy rains to many HRW and SRW areas. Showers will continue to extend eastward the next two days and then turn warmer and drier for most of the Central U.S. While a substantial warm-up is forecast for most of the Midwest, the recent rainfall pattern is expected to shift back to the northwest, which is expected to see showery conditions off and on for the 6-15 day period causing fieldwork to slow substantially in some areas. Showers are expected to return to the balance of the Midwest in early June.
- **International weather / crop watch** –areas of concern continue... much of central and eastern region of Russia and Kazakhstan remains dry; expanding dryness across the North China Plains which for now is only affected about 10% of the winter wheat crop; and spring grain planting pace is well behind normal in Canadian prairies.
 - **Canada** – Dry period this week allowed some planting to progress but a return of frequent showers and cooler than normal weather this weekend is expected to keep fieldwork well behind normal pace.
 - **Europe** – Showers continued across parts of north and central EU, benefitting grain crops, although some areas are trending dry due to high pressure ridge parked over Central Russia.
 - **Former Soviet Union** – The western region - Ukraine and southern Russia – received beneficial showers that have helped recharge soil moisture for jointing winter grains. However the central and eastern regions of Russia and Kazakhstan continue to experience unseasonably warm dry conditions which have reduced soil moisture needed for spring grain planting and jointing winter grains. Although the spring grain planting window has not closed, the outlook for the next two weeks shows dry conditions persisting.
 - **Middle East** – Occasional showers benefitted reproductive to filling winter grains in Turkey, Iraq and Iran.
 - **Northern Africa** – Light showers boosted late-filling winter grain but rain has slowed crop maturation in Morocco.
 - **China** – Manchuria (north) continued to see cool rainy weather which has caused serious corn planting delays but conditions turned drier midweek and are expected to remain warmer and drier for at least a full week, allowing corn planting pace to accelerate. Meanwhile, conditions are mostly dry in the North China

Plains were corn planting has progressed rapidly and winter wheat has sufficient moisture for heading. If dry conditions persist wheat could see some moisture shortages during the critical grain fill period.

- **Argentina / Brazil** – Dry mild conditions continued in Argentina, allowing for advancement of corn harvesting. Brazil experienced cool and dry conditions which has slowed growth of winter wheat and second crop corn .
- **Australia** – Western region finally received beneficial moisture which will aid winter grain planting. Other regions are seeing favorable planting weather.

USDA Crop Progress / Condition Report, May 17, 2010

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	75%	61%	49%	78%			
ID barley	88%	77%	82%	82%			
US spring wheat	79%	67%	49%	80%			
ID spring wheat	92%	81%	92%	91%			
US winter wheat	Headed 52%	40%	54%	56%	66%	66%	48%
ID winter wheat	Headed 0%	0%	0%	2%	91%	91%	
US Corn	87%	81%	61%	78%	67%	NA	NA