

Idaho Grain Market Report, July 26, 2012

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 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) \$11.98 (6-R) \$11.98	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$11.00	(2-R) NQ (6-R) NQ	\$7.45	\$7.85	\$8.76
Idaho Falls	\$12.00	(2-R) \$11.98-\$12.50 (6-R) \$11.98	\$7.65	\$8.25	\$8.87
Blackfoot / Pocatello	\$10.41	(2-R) \$12.00 (6-R) \$12.00	\$7.40	\$6.96	\$8.44
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert	\$11.50	(2-R) \$11.98 (6-R) \$11.98	\$7.88-\$8.05	\$7.82	\$8.82
Hazelton					
Twin Falls / Eden / Buhl	\$13.00 - \$13.70	(2-R) NQ (6-R) NQ	\$7.32-\$8.25	NQ	NQ
Weiser	\$12.50	(2-R) NQ (6-R) NQ	\$7.69	NQ	NQ
Nez Perce / Craigmont	\$11.10	(2-R) \$11.10 (6-R) \$11.10	\$8.19	\$8.85	\$9.71
Lewiston	\$11.35	(2-R) \$11.35 (6-R) \$11.35	\$8.38	\$9.04	\$9.90
Moscow / Genesee	\$11.15 - \$12.00	(2-R) \$11.15 (6-R) \$11.15	\$8.15-\$8.85	\$8.81-\$9.54	\$9.67-\$10.41

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	Jul \$8.75-\$8.90 Aug NC \$8.75-\$8.90	Jul \$9.49-\$9.59 Aug \$9.49-\$9.59	Jul \$10.39-\$10.64 Aug \$10.39-\$10.64
Los Angeles	\$16.00	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$16.00	NQ	NQ	NQ	NQ	NQ
Ogden	\$12.30	NQ	NQ	\$7.90	\$8.11	\$9.20
Great Falls	\$8.00-\$11.10	NQ	\$11.50	NQ	\$7.67-\$8.11	\$9.16-\$9.42
Minneapolis	\$12.08	NQ	\$14.79	NQ	\$9.34 (12%)	\$10.29

Market trends this week

BARLEY – Local barley prices were mostly higher this week, ranging from \$.50 lower to \$1.90 higher in southern Idaho and \$.37 to \$1.00 higher reported in northern Idaho. USDA reported barley export sales last week totaled 8.7 TMT for Japan, Taiwan and South Korea. Barley export shipments totaled 2 TMT for Taiwan.

WHEAT – Local wheat prices were mixed this week: SWW ranged from 26 cents lower to 40 cents higher; HRW ranged from 19 cents lower to 43 cents higher; and DNS ranged from 54 cents lower to 22 cents higher. USDA reported that wheat export sales last week were well below trade expectations at 367 TMT, down 38% from the previous week and 11% from the prior 4-week average. Export shipments totaled 269.9 TMT, down 27% from the previous week and 42% from the prior 4-week average. Cumulative wheat export sales now total 25.7% of projected exports for the year, compared to a 5-year average of 30%.

Wheat Competitor/Buyer News – Rumors surfaced this week that Russia would likely impose wheat export controls later in the season, but there were also conflicting reports about Russia's actual yield potential. Jordan bought 100 TMT of

wheat reported from Ukraine this week. Several countries have issued import tenders on fears of shrinking world supplies, including Morocco (300 TMT) and Libya (50 TMT).

CORN – Corn export sales last week were very disappointing, coming in at a net negative 140 TMT due to Chinese cancellations. Corn export shipments last week totaled 513.3 TMT, down 25% from the previous week and 21% from the 4-week average. Cumulative corn export sales now total 96.3% of the marketing year estimate which ends August 31, compared to a 5-year average of 99.2%.

Ethanol corn usage – DOE's Energy Information Agency reported that U.S. ethanol production posted another two year low last week at 796,000 bbls per day, down 8.9% from the same period a year ago. Corn consumed totaled 84.8 million bushels, with cumulative usage for the marketing year pegged at 4.44 billion bu compared to USDA's projection of 5.05 billion bu for this marketing year (ends August 31).

Corn Competitor/Buyer News – Taiwan buyers purchased Brazilian corn this week.

Futures market activity this week

WHEAT –Wheat posted double digit losses on Monday under spillover pressure from wetter forecasts across parts of the Midwest and weak outside markets, including a stronger US dollar. Wheat closed sharply lower again on Tuesday on continued fund liquidation triggered by spillover weakness. Wheat reversed direction and closed solidly higher into the close of Wednesday's session on reports that several more regions of Russia have declared crop emergencies and speculation that the Russian government might impose wheat export restrictions later in the marketing year. Wheat finished down double digits today (Thursday), on poor export sales and uncertainties about the actual size of the Russian crop. **Wheat market closes on Thursday, 07/26/12 ...**

	Sept 2012	Weekly Summary	Dec 2012	Weekly Summary
Chicago	\$8.84	Down \$0.59 ¼	\$8.97 ¼	Down \$0.51
Kansas City	\$8.90	Down \$0.51	\$9.10	Down \$0.44
Minneapolis DNS	\$ 9.67 ¾	Down \$0.63 ¾	\$ 9.66 ¾	Down \$0.61 ½

CORN – Corn began the week sharply lower on better rain chances for the next several days in parts of the northern and eastern Corn Belt. Unfortunately much of this rain will arrive too late to make much difference to overall yield potential. Corn traded limit down on Tuesday but then moved off these early lows to close down 24 cents on Tuesday on profit-taking triggered by a combination of negative outside markets and wetter forecasts. Corn finished modestly higher on Wednesday in the face of an overall supportive commodity market tone and continued crop worries. However, corn could not sustain these gains and closed lower today (Thursday) on continued fund liquidation sparked by a band of showers crossing the northern and eastern Corn Belt and negative export sales report. **Sept 2012 corn futures contract closed Thursday, 07/26/12, at \$7.81 ¼, down \$0.33 ¼ and the Dec 2012 contract closed at \$7.76 ¼, down \$0.19 ½ for the week.**

OTHER MAJOR FACTORS TO WATCH –

CRUDE OIL – Crude oil prices drifted in a narrow range this week, pulled in opposite directions by ongoing Middle Eastern tensions and global economic worries. Prices closed down \$3.69 on Monday to \$88.14, under pressure from fresh euro-zone worries as European financial experts opening began discussing the likelihood of Greece's exit from the euro. Crude oil settled modestly higher on Tuesday – closing up \$0.36 to \$88.50 – on support from better than expected Chinese manufacturing data and anticipation of more Federal Reserve stimulus this year. Prices moved steadily higher on Wednesday, posting 47 cents gain to close at just under \$89 after rebounding from early pressure from a bearish weekly stocks report. DOE's weekly crude oil inventory report showed crude oil stocks rose an unexpected 2.717 million bbls, compared to an expected decline of 1.25 million bbls; distillates increased by 1.7 million bbls, compared to an expected build of 1.4 million bbls; and gasoline stocks increased by 4.1 million bbls, compared to an expected decline of 1.0 million bbls. **Crude oil closed up another \$.42 to \$89.39 today (Thursday) on a weaker dollar, better than U.S. economic readings and expectations that the European Central Banks will take further actions to prevent a eurozone collapse.**

U.S. WEATHER / CROP WATCH –

Pacific Northwest – Warm and dry conditions persisted across this region, accelerating crop maturity.
Midwest - corn & spring wheat – As expected, **USDA cut its weekly corn crop condition rating by another 5% this week to only 26% good/excellent, with 45% of the US corn crop currently rated poor to very poor.** There were some scattered showers across parts of MT, ND, SD, MN and IA last weekend and again early this week across northern and eastern edges of the Corn Belt. Better than expected coverage across IA was reported last night, which pressured the markets. There are good chances of further relief this weekend with cooler temps and scattered showers but no major shift is expected in the prevailing hot and dry weather pattern. The 6-10 day outlook shows another ridge of high pressure reforming over the Central Midwest next week. Many analysts are now projecting that harvested acres could fall by 4 million and yields could dip into the low to mid 120s, which would produce an 11 billion bu crop.

INTERNATIONAL WEATHER / CROP WATCH -

- **Canada** – Grain crop prospects have been boosted by nearly ideal growing conditions.
- **Europe** – Continued showery conditions persisted across Europe, boosting prospects for filling spring grains but causing interruptions to winter grain harvest. Dry weather accelerated winter grain harvest in Spain.
- **Ukraine/Russia** – Northern Ukraine and Northern Russia received beneficial moisture, boosting yield prospects in those regions, but heat and dry conditions continued to stress crops across southern Ukraine and Russia. Eastern Russia spring grains received some beneficial moisture. **The Russian wheat harvest is reportedly 22% completed with yields falling by 28%.**
- **Middle East** – Showers benefitted summer crops with only minor interruptions to winter wheat and barley harvest in Turkey.
- **China** – Hot and dry across the North China Plains.
- **Argentina** – Mild dry conditions prevailed, with about 10% of the winter wheat area considered excessively dry.
- **Australia** – Rains maintain nearly ideal growing conditions in Western Australia but New South Wales and Queensland remained unfavorably dry.

USDA Crop Progress / Condition Report, July 23, 2012

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	6% harvested	NA	---	1%	57%	60%	77%
ID barley	1%	NA	1%	1%	68%	67%	
US spring wheat	12% harvested	NA	-----	----	60%	65%	74%
ID spring wheat	1% harvested	NA	----	-----	58%	58%	
US winter wheat	82% harvested	80%	71%	73%			
ID winter wheat	6% harvested	----	1%	3%	81%	84%	
Corn	86% silking 22% dough 6% dented	71% 12% NA	56% 7% 2%	59% 9% 2%	26%	31%	62%