

Idaho Grain Market Report, August 19, 2010

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 18, 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	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$6.50	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$5.00	\$5.17	\$6.06
Blackfoot / Pocatello	\$6.25	(2-R) \$6.50 (6-R) NQ	\$5.25	\$4.87	\$5.73
Grace / Soda Springs	\$6.19-\$6.20	(2-R) NQ (6-R) NQ	\$5.35	\$5.25-\$5.35	\$5.71-\$6.06
Burley / Rupert Hazelton	\$6.20-\$6.25	(2-R) \$6.50 (6-R) \$6.50	\$4.20-\$5.20	\$5.27	\$5.89
Twin Falls / Eden / Buhl	\$6.80	(2-R) NQ (6-R) NQ	\$4.85	NQ	NQ
Weiser	\$6.75	(2-R) NQ (6-R) NQ	\$5.57	NQ	NQ
Nez Perce / Craigmont	\$5.35	(2-R) \$5.35 (6-R) \$5.35	\$5.79	\$6.04	\$6.58
Lewiston	\$5.60	(2-R) \$5.60 (6-R) \$5.60	\$5.98	\$6.23	\$6.77
Moscow / Genesee	\$5.40-\$6.75	(2-R) \$5.40 (6-R) \$5.40	\$5.75-\$6.40	\$6.00-\$6.80	\$6.54-\$7.71

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	Aug \$6.25-\$6.30 Dec \$6.35-\$6.50	Aug \$6.35-\$6.59	NQ
Los Angeles	NQ	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	NQ	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.25	NQ	NQ	\$5.60	\$5.50	\$6.05
Great Falls	\$5.50-\$6.00	NQ	\$6.50	NQ	\$4.45-\$4.49	\$4.79-\$5.13
Minneapolis	\$5.21	NQ	NQ	NQ	\$6.39 (12%)	\$7.59-\$7.84

Market trends this week

BARLEY – Local barley prices were mostly higher this week ranging from no change to 50 cents higher in southern Idaho and 15 to 25 cents higher in northern Idaho. USDA reported that barley export sales totaled 18 TMT for Japan and the Philippines. However, there were no barley export shipments last week.

WHEAT – Local wheat prices were mixed this week: SWW ranged from 90 cents lower to 12 cents higher; HRW ranged from 28 cents lower to 15 cents higher; and DNS ranged from 22 cents lower to 24 cents higher. U.S. wheat export sales last week were well above trade expectations at 1.4 MMT, up 6% from the previous week and 63% from the prior 4-week average. Export shipments last week totaled 577 TMT, up 33% from the previous week and 16% from the prior 4-week average.

Wheat Competitor/Buyer News – Egypt purchased 55 TMT of US hard red winter wheat early in the week and followed with a purchase of 240 TMT of wheat late Wednesday - 60 TMT Canadian and 180 TMT French.

CORN – U.S. corn export sales were almost double trade expectations at 594.9 TMT for MY 2009/10 and 2.3 MMT for MY 2010/11 for a combined 2.9 MMT. Corn export shipments last week totaled 1 MMT, which remained unchanged from the previous week and up 1% from the prior 4-week average.

Corn Competitor/Buyer News – China continues to give mixed signals on its corn reserve policy: first limiting the quantity for sale in their weekly auction which caused domestic prices to soar and then offering a second auction to try and cool off prices. Chinese corn crop conditions are believed to be improved this year, which should boost supplies after harvest but there remains considerable debate about the availability of supplies until then.

Futures market activity this week

WHEAT – Wheat began the week sharply lower as speculative buying dried up after the earlier panic over Russian wheat supplies eased. European weather models shows temperatures moderating and some scattered showers in some areas of Ukraine and Russia, but serious questions remain about whether enough rains will arrive to allow winter wheat planting to begin later this month and into September. Speculation also continued over Ukrainian export policy, with some signals from the government but no confirmation that they will allow up to 1.5 MMT of wheat exports between now and the end of December. Wheat continued to move lower on Tuesday despite a firmer open with the selling attributed to lower EU wheat prices and spread trading with corn. Wheat prices turned moderately higher on Wednesday on renewed fund buying interest and expectations for increased U.S. wheat exports in coming months. Wheat finished sharply higher today (Thursday) on confirmation of a robust export sales pace with last week's export sales well above trade expectations coupled with trade chatter that Russia might need to import wheat and corn later this year. **Wheat market closes on Thursday, 8/19/10...**

	Sept 2010	Weekly Summary	Dec 2010	Weekly Summary
Chicago	\$6.81 ¼	Down \$.21 ¼	\$7.14 ¼	Down \$.11 ½
Kansas City	\$7.05 ¼	Up \$.18 ¼	\$7.20 ¼	Up \$.05
Minneapolis DNS	\$7.06 ½	Down \$.08 ¼	\$7.20 ½	Down \$.07 ½

CORN – Corn closed moderately lower on Monday, despite an early move higher, with spillover pressure from wheat's mid-day collapse. Prices turned higher on Tuesday to close at the highest levels since January 11 with support from fresh demand news and declining crop conditions that are giving rise to ideas that this year's yield number will decline from USDA's 165 bpa estimate earlier this month. Corn overcame early weakness from lower crude oil and weak outside markets on Wednesday to move moderately higher, boosted by spillover support from wheat. Corn settled moderately lower today (Thursday) on pressure from weak outside markets, including lower crude oil. The Midwest crop tour indicated that Iowa and Illinois yields will be slightly below last year's and the 3-year average. **Sept 2010 corn contract closed Thursday, 8/19/10, at \$4.14 ¼, up \$.02 ½ for the week and the Dec 2010 contact closed at \$4.29 ¼, up \$.02 for the week.**

OTHER MAJOR FACTORS TO WATCH –

- **Crude Oil** – Crude oil futures traded in a very narrow range this week, settling slightly higher on Monday at \$75.24/bbl and Tuesday at \$75.77/bbl but then closing lower on Wednesday at \$75.42/bbl under pressure from lingering domestic and global economic concerns and large petroleum inventories. The weekly petroleum inventory report continued to show a modest drawdown in crude oil inventories but still well above average with a .8 million bbl decline last week, compared to an expected decline of 1 million bbls; distillate stocks continued to climb – up 1.1 million bbls last week compared to an expected build of 1.5 million bbls; and gasoline stocks were unchanged, compared to an expected decline of 375,000 bbls. Crude oil closed below \$75/bbl today (Thursday) at \$74.43 on pressure from weak equity markets.
- **U.S. weather / crop watch** – Last weekend rains were better than expected across the Central U.S., but were more limited in the eastern belt, leaving moisture deficits in many areas in IL, IN, OH comprising about 20% of the belt. Temperatures remained on the warm side this week, with scattered rainfall in the northwestern edge and central portions of the Corn Belt tracking eastward by this weekend. Amounts were not significant in many areas but the best rain chances are expected to arrive this coming weekend, particularly in the central and southeastern regions. The 6-10 day and 8-14 day outlooks show temps warming back up and above normal precipitation in most of the Corn Belt, although southern regions are likely to be short changed.
- **International weather / crop watch –**
 - **Canada** – Cooler temps returned to the Canadian prairies, although no frost threats yet. Showers were scattered and limited in many areas but are expected to be widespread beginning this weekend into next week.
 - **Europe** – Central and Eastern Europe and parts of Germany and the UK continued to see more rain, hampering wheat and barley harvest and escalating quality concerns. **Germany saw drier conditions by the middle of this week but is expected to see more rain next week.**
 - **Former Soviet Union** – There was very limited relief to the record drought and heat that has gripped this region stretching from eastern Ukraine through Central Russia and northern Kazakhstan. Winter wheat areas in eastern Ukraine received isolated showers last weekend and the **storm system was expected to move to western Ukraine and far northwestern half of the Russian winter wheat belt this week, but amounts were not expected to be sufficient to break the record drought.**
 - **China** – Corn growing regions were mostly dry early in the week but then received soaking rains by mid week.

- **Argentina / Brazil** – Cool mostly dry conditions across much of Argentina and southern Brazil has slowed wheat growth. An estimated 10% of the wheat region remains unplanted.
- **Australia** – Western region (accounts for 40% of the crop) continues to see unfavorably dry conditions, but the south and east received soaking rains, helping to maintain good to excellent growing conditions during early heading period.

USDA Crop Progress / Condition Report, August 16, 2010

Crop	Stage	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	harvested 29%	16%	10%	45%	85%	85%	78%
ID barley	harvested 18%	8%	18%	27%	96%	97%	
US spring wheat	harvested 34%	20%	13%	44%	82%	82%	74%
ID spring Wheat	harvested 4%	2%	15%	25%	95%	95%	
US winter wheat	harvested 91%	87%	93%	96%			
ID winter wheat	harvested 34%	18%	56%	65%	95%	94%	
US corn	dough 74%	52%	38%	58%	69%	71%	68%
	dented 32%	14%	9%	22%			