

## Idaho Grain Market Report, December 17, 2009

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 16, 2009. 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) \$6.25 (6-R) \$6.25	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.60	(2-R) NQ (6-R) NQ	\$4.30	\$4.23	\$5.40
Idaho Falls	\$5.75	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$4.32	\$4.25	\$5.41
Blackfoot / Pocatello	\$5.73	(2-R) \$6.25 (6-R) \$6.25	\$4.30	\$4.08	\$5.42
Grace / Soda Springs	\$5.76-\$6.00	(2-R) NQ (6-R) NQ	\$4.25	\$4.18-\$4.27	\$5.33-\$5.42
Burley / Rupert Hazelton	\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$4.29	\$4.10	\$5.24
Twin Falls / Eden / Buhl	\$5.50-\$7.50	(2-R) NQ (6-R) NQ	\$3.90-\$4.50	NQ	NQ
Weiser	\$6.00	(2-R) NQ (6-R) NQ	\$4.07	NQ	NQ
Nez Perce / Craigmont	\$5.00	(2-R) \$5.00 (6-R) \$5.00	\$4.40	\$4.95	\$6.14
Lewiston	\$5.45	(2-R) \$5.45 (6-R) \$5.45	\$4.59	\$5.14	\$6.33
Moscow / Genesee	\$5.05-\$6.50	(2-R) \$5.05 (6-R) \$5.05	\$4.36-\$5.06	\$4.91-\$5.61	\$6.10-\$6.64

### 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	Dec \$4.95-\$5.00 Aug NC \$5.00-\$5.2!	NQ	NQ
Los Angeles	\$8.95	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.95	NQ	NQ	NQ	NQ	NQ
Ogden	\$5.83	NQ	NQ	\$4.50	\$4.39	\$5.57
Great Falls	\$5.00-\$5.25	NQ	\$6.50	NQ	\$3.85-\$3.88	\$5.59-\$5.79
Minneapolis	\$5.42	NQ	\$6.98	NQ	\$5.02 ¼ (12%)	\$6.24 ¼ - \$6.74 ¼

### Market trends this week

**BARLEY** – Local barley prices were mixed, ranging from 15 cents lower to 50 cents higher in southern Idaho and unchanged to 10 cents lower in northern Idaho. USDA reported that there were no barley export shipments or new export sales last week.

**Barley Competitor/Buyer News** – Strategie Grains is projecting EU's 2010 barley crop will be 5% smaller at 58.7 MMT, due to shift of area to winter wheat.

**WHEAT** – Local wheat prices were also mixed: SWW ranged from no change to 20 cents higher; HRW ranged from 7 cents lower to 6 cents higher; and DNS ranged from 15 cents lower to 1 cent higher. U.S. wheat export sales last week were in line with trade expectations at 345 TMT, up 41% from the previous week and 2% from the prior 4-week average. Wheat export shipments last week totaled 338.1 TMT, up 10% from the previous week but down 15% from the prior 4-week average. **Cumulative wheat exports stand at 64.5% of the USDA's revised export projection for MY 2009/10, compared to a five year average pace 73.3%.**

**Wheat Competitor/Buyer News** – Strategie Grains is projecting EU's 2010 soft wheat crop will be 3% bigger at 133 MMT based on 1% increase in winter wheat area. Egypt purchased 360 TMT of wheat this week, 300 TMT from Russia and 60 TMT from France.

**CORN** – Corn export sales last week were on the high side of trade expectations – hitting a marketing year high at 1.2 MMT- up 45% from the previous week and 59% from the prior 4-week average. Export shipments totaled 776.5 TMT, up 10% from the previous week and 7% from the prior 4-week average. **Cumulative corn exports stand at 43.5% of the USDA's revised export projection for MY 2009/10, compared to a five year average pace of 49%.**

**Corn Competitor/Buyer News** – Argentine corn area is projected at 3.15 million hectares, up from previous estimate of 3.06 mha. USDA announced a sale of 120 TMT US corn to Taiwan. However, South Korean millers passed on U.S. corn, buying feed wheat and barley instead. So far this year, South Korean corn imports have fallen by 19% compared to the same period a year ago.

**Futures market activity this week**

**WHEAT** –Wheat began the week higher on support from a weak dollar and strong rally in soybeans. A sharply higher dollar drove wheat prices lower on Tuesday, reinforced by a lack of export demand. Wednesday saw choppy trading, with action on both sides of the market as short covering and light fund buying pushed prices mostly higher into the close. Wheat finished sharply lower today (Thursday) despite a late session retreat in the dollar. Pressure came from a sharply higher dollar overnight (hitting 3 month highs) and weakness in other outside markets. Clearly without supportive fundamentals, wheat continues to take its signal from the dollar. **Wheat market closes on Thursday, 12/17/09.**

	<b>Mar 09</b>	<b>Weekly Summary</b>	<b>May 2010</b>	<b>Weekly Summary</b>
Chicago	\$5.18 ½	Down \$.17	\$5.32	Down \$.18 ¾
Kansas City	\$5.15	Down \$.12 ½	\$5.27	Down \$.11 ¼
Minneapolis DNS	\$5.29 ¼	Down \$.15 ¼	\$5.39 ¾	Down \$.15 ½

**CORN** – Corn began the week higher on spillover support from soybeans and positive technical chart signals. Prices eased back, closing fractionally lower on Tuesday in the face of a sharply higher dollar and quiet cash markets. Corn closed modestly higher on Wednesday with support from a lower dollar and sharply higher crude oil. Mostly cold dry weather conditions also provided underlying support as the trade estimates that about 1 billion bushels of corn remain unharvested and fields in the northwestern Corn Belt remain under snow, delaying any harvest progress this week. Corn finished lower today (Thursday) on fund buying that was triggered by a sharp slide in the dollar and renewed signs of global economic uncertainties. **Mar 2010 corn contract closed Thursday, 12/17/09, at \$3.97, down \$.07 ½ for the week and the May 2010 contact at \$4.07 ¾, down \$.07 ¾ for the week.**

**Other Major Factors to Watch -**

- § **Crude Oil** – Crude oil continued to slump early in the week, trading lower for the 9<sup>th</sup> consecutive day on a lack of fresh news to provide direction. Prices shot higher on Wednesday on a bullish inventory report and concerns about Iran test-firing long range missiles. Wednesday's weekly inventory report showed crude oil stocks bullish with a decline of 3.7 million bbls, compared to expected decrease of 2.0 million bbls; distillates also were bullish with a draw of 3.0 million bbls, compared to an expected draw of 500,000 bbls; while gasoline stocks increased 879,000 bbls, compared to an expected build of 1.3 million bbls.
- § **U.S. weather / crop watch** – U.S. corn harvest was 92% completed, with progress halted in the snow covered fields in the northwestern Corn Belt. Forecasts show conditions are likely to remain mostly dry and cold for the next 6-10 days, allowing harvest to be completed in other regions while stalled in the northwestern belt. One model shows another snow storm arriving early next week in South Dakota, Nebraska, Kansas, Iowa and Missouri. **Winter wheat conditions** – A cold pattern is expected to linger across the Plains through the end of the month, with subzero readings likely in the northern areas. A protective snow cover is expected to protect winter wheat from damage in these areas, but there are concerns that about 20% of SRW areas lack snow cover and are vulnerable to potential winterkill. HRW areas could have a chance for precipitation next week, which should help stabilize conditions.
- § **International weather / crop watch** –
  - § **Argentina** – Continued beneficial rain favored summer crop development (corn and soybeans) in western and northern growing regions. Winter wheat harvest is reported to be about one-third done, with yields reportedly very poor out of the drought raged southern region.
  - § **Australia** – Dry weather helped accelerate winter grain harvest across eastern and western Australia, but scattered showers caused temporary harvest interruptions in the southeastern region.
  - § **Former Soviet Union** – Seasonably cold weather prevailed across Ukraine and Russia, causing some winterkill concerns early in the week from subzero temps which covered a large part of the Russian wheat belt, but the arrival of a winter storm was expected to provide protective snow cover in most areas.