

**Idaho Grain Market Report, March 3, 2005**

Published by the Idaho Barley Commission, [kolson@barley.state.id.us](mailto:kolson@barley.state.id.us), 208-334-2090

**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 2, 2005. Barley prices in \$/Cwt. and wheat prices in \$/bu.**

Selected locations	Barley (Cwt.)			Wheat (bu.)		
	#2 Feed, 46 lbs or better	48 lbs/Idaho Prime Barley (over 50 #)	Open mkt malting	#1, SWW	#1, HRW 11.5% protein	#1, DNS 14% protein
Ashton	\$3.75	NQ	(2-R) \$5.50 (6-R) \$4.75	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$3.80	NQ	(2-R) NQ (6-R) NQ	\$3.35	\$3.30	\$4.02
Idaho Falls	\$3.90	NQ	(2-R) \$5.75 (6-R) \$5.70	\$3.35	\$3.32	\$4.17
Blackfoot / Pocatello	\$3.80	NQ	(2-R) \$4.95 (6-R) NQ	\$3.20	\$3.46 (12%)	\$4.05
Grace / Soda Springs	NQ	\$3.70	(2-R) NQ (6-R) NQ	\$3.36	\$3.35 (12%)	\$4.02
Burley / Rupert Hazelton	\$4.00	NQ	(2-R) NQ	\$3.18	\$3.34	\$4.09
Twin Falls / Buhl	NQ	\$4.40 +\$.05 up to 52#	(2-R) NQ (6-R) NQ	\$3.25	NQ	NQ
Nampa / Caldwell / Weiser	NQ	NQ	(2-R) NQ (6-R) NQ	\$3.23	NQ	NQ
Nez Perce / Craigmont	\$4.25		(2-R) \$5.00 (6-R) \$5.25	\$3.47	\$3.82	\$4.52
Lewiston	\$4.70		(2-R) \$5.45 (6-R) \$5.70	\$3.66	\$4.01	\$4.71
Moscow / Genesee	\$4.15 - \$4.30		(2-R) \$5.05 (6-R) \$5.30	\$3.43	\$3.78	\$4.48

**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% Protein	#1 DNS 14% protein
Portland	\$5.35 - \$5.37 ½	NQ	NQ	\$3.96 - \$3.98 for Mar.; \$3.96 - \$3.98 for Apr.	\$4.31 - \$4.34 (11.5%)	\$5.01 - \$5.08
Los Angeles	\$5.40 - \$5.55	NQ	NQ	NQ	NQ	NQ
Stockton	\$5.40 - \$5.50	NQ	NQ	NQ	NQ	NQ
Tulare	\$5.45 - \$5.55	NQ	NQ	NQ	NQ	NQ
Ogden	\$3.80 (48 lbs)	NQ	NQ	\$3.42	\$3.29 (11.5%)	\$4.05
Great Falls	\$3.10 - \$3.60	NQ	\$5.25	NQ	\$3.20 - \$3.53	\$3.97 - \$4.35
Minneapolis	\$3.54	NQ	\$5.10	NQ	NQ	\$4.60 ¼ - \$4.75 ¼

**Market trends this week**

**Barley** – Local barley prices were steady to 5 cents higher in southern Idaho and 20 cents higher in northern Idaho. USDA's export sales report showed barley exports at 1.8 TMT, all to Canada. There were no new export sales reported for last week.

**International Grain Council's (IGC) barley S&D projections** – IGC projected 2004-05 world barley production would climb to 150.5 MMT in MY 2004-05 (up 10.4 MMT due to record crop in the EU-25), but consumption would fall to 144.4 MMT (down 1.3 MMT). Barley trade was expected to rise modestly in 2004-05 to 15.7 MMT, due to larger exports by the EU and Ukraine, somewhat offset by reduced export prospects for Canada and Russia. A near doubling of EU carry-over will mean a steep increase in world barley stocks to 27.4 MMT, up 6 MMT. The IGC expects a slightly smaller world barley crop in 2005-06 due to reduced yield assumptions (return to normal long-

term yield trends). The EU has a smaller area planted to winter barley this year, but the crop is reported to be in good shape.

**Barley Competitor/Buyer News** – The EU Grains Management Committee rejected all bids to export free market barley this week. The last weekly export subsidy approved on EU barley was 12.5 TMT in mid-February, but the accumulated barley export subsidies approved since last October total more than 1.48 MMT. The Japanese Agriculture Ministry (MAFF) purchased 20 TMT of Australian feed barley in their weekly tender. The Canadian Wheat Board is projecting a 2005-06 Canadian barley crop of 13.2 MMT, about equal to this year's crop, although acreage is expected to fall 3% due to more favorable wheat prices. CWB projects domestic consumption will be 11.1 MMT and exports at 2.5 MMT (including about 700 TMT of malt exports to China, Japan and the US). Feed use if projected higher at 10.3 MMT, due to rising feed requirements in their livestock sector.

**Wheat** – Local wheat prices were mixed this week: SWW prices ranged from 5 cents higher to 15 cents lower; HRW prices ranged from 8 cents higher to 8 cents lower; and DNS prices ranged from 1 to 10 cents higher. USDA's export sales report showed solid export shipments last week at 649.7 TMT, 18% up from the week earlier and 44% higher than the prior 4-week average. Destinations were Egypt, Mexico, Japan, Indonesia, Malaysia, Taiwan, Nigeria and South Korea. Export sales last week were slightly above trade expectations at 453.1 TMT, 17% below the previous week and 20% under the prior 4-week average. Buyers included Mexico, Taiwan, Nigeria, Peru, Italy, Spain, South Korea and Venezuela. Sales of 54.7 TMT were for delivery in 2005/06, to Italy and Mexico.

**International Grain Council's wheat S&D projections** – IGC left their 2004-05 world wheat production unchanged this month at 621 MMT, up 66 MMT from 2003-04. World trade was increased by 1 MMT this month to 103 MMT, due to larger shipments by the EU, but ending stocks were left unchanged at 137 MMT, which is 12 MMT higher than the previous year. IGC looks for the 2005-06 world wheat production at 603 MMT, down 18 MMT from this year, but 4 MMT higher than last month's projection.

**Wheat Competitor/Buyer News** – The EU's Grain Management Committee approved 451.75 TMT of free-market wheat for export with a maximum subsidy of 10.0 euros/MT (about \$13/MT). The EU also announced plans to begin selling intervention wheat stocks to alleviate surplus stocks that are being held in Central Europe which has little or no access to seaports or world export markets. The Canadian Wheat Board estimates 2005-06 Canadian wheat crop at 24.7 MMT, down approximately 1 MMT from 2004, with exports estimated at 16.3 MMT, up 1.5 MMT from 2004-05. The CWB is projecting EU wheat production would fall from 136 MMT this year to 130 MMT; US production would be about the same at 58 MMT and Argentine wheat crop would fall from 16 MMT this year to 14 MMT. Argentina's 2004-05 wheat exports are now estimated at 7.525 MMT compared to 3.97 MMT at this time last year.

**Corn** – USDA's export sales report showed export shipments last week at 857.6 TMT, 26% higher than the previous week, but 9% under the prior 4-week average. Destinations were Japan, Mexico, Taiwan, Tunisia, Costa Rica, the Dominican Republic, Syria, Egypt and Colombia. New export sales last week were within trade estimates at 857.6 TMT, 26% higher than the previous week and 21% above the prior 4-week average. Buyers included Japan, Taiwan, Colombia, Mexico, Egypt, the Dominican Republic, Israel, Costa Rica, Guatemala and Cuba.

USDA reported this month that US cattle on feed increased 2% from last year, while placements last month rose 7%. USDA is now projecting US commercial beef production will hit a record 25.7 billion pounds in 2005. USDA also expects 1.3 million head of cattle will be imported from cattle in 2005, after the border is re-opened. However, a US federal judge in Montana issued an injunction this week to stop the border opening that had been scheduled to begin March 7.

**International Grain Council's coarse grains S&D projections** – IGC increased their world coarse grain production estimate this month by 4 MMT due to better than expected production in Argentina to a record 1008 MMT, up 94 MMT from the previous year. World trade was cut by 1 MMT to 101 MMT, while world ending stocks were increased by 2 MMT this month to 174 MMT, up 37 MMT from last year.

**Corn Competitor/Buyer News** – China reportedly shipped 485 TMT of corn onto the world market in the month of January. The Argentine Government is now projecting their 2004-05 corn crop at 19 MMT, compared to USDA's latest projection of 17.5 MMT, and the previous year's production of 14.0 MMT.

#### Futures market activity this week

**Wheat** – Wheat futures began the week higher, with CBOT rocketing to 5 month highs on a bull rush that has been largely driven in Chicago markets by concerns about South American weather and lower soybean production

estimates for Brazil and Argentina. This strength in soybeans, as well as aggressive short covering ahead of the first notice of March delivery, helped propel wheat prices sharply higher last Friday. As a result of this recent 40-50 cent price rally, funds are no longer holding a record short position, and have actually moved into a net long position in wheat. A lower US dollar, which sank to a 6-week low on Monday, provided underlying support. Price gains could not be sustained, however, as fund profit taking drove prices lower on Tuesday. Small gains were made on Wednesday as wheat continued to ride the coattails of the recent surge in soybeans. Prices closed modestly lower today (Thursday) in sympathy with lower soybeans. The outlook is for more price volatility ahead as winter wheat comes out of dormancy and producers continue selling in the cash market to cover expenses.

**Wheat market closes on Thursday, 03/03 --**

	<u>Mar.</u>	<u>Weekly Summary</u>	<u>May</u>	<u>Weekly Summary</u>
Chicago	\$3.30	Up 6 ¾ cents	\$3.38	Up 4 ¾ cents
Kansas City	\$3.54	Down 8 ¼ cents	\$3.48 ¼	Down 2 ¼ cents
Minneapolis DNS	\$3.50	Down 7cents	\$3.57	Up 2 cents

**Corn –** Corn futures opened the week higher on Monday with spillover support from the soybean rally. Corn prices retreated on both Tuesday and Wednesday in the face of fund profit-taking. Corn prices closed fractionally lower today (Thursday) on a lack of fresh news and pressure from lower soybeans. **March corn contract closed on 3/03 at \$2.09 ½, down 2 cents for the week and the May corn contract closed at \$2.18, down 3 ½ cents for the week.**

**Special Features –**

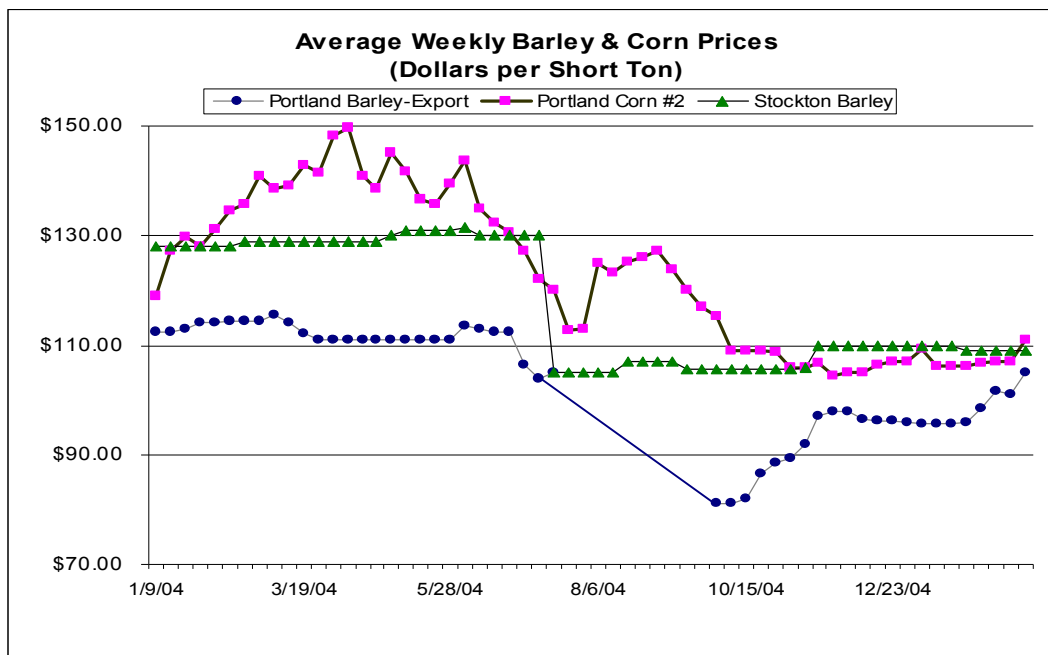
**USDA provides first baseline production estimates for 2005...**

**Wheat –** Harvested acreage is forecast at 49.3 million, with an average yield of 42.3 bu/A and total production at 2.085 billion bu. Carry-in supplies of 558 mbu and imports of 65 mbu would put total supply at 2.708 bbu. USDA projects domestic food usage at 987 mbu, feed and residual use at 175 mbu and exports at 975 mbu, resulting in total use of 2.137 bbu. Carryover is forecast at 571 mbu, with a season-average price of \$3.20 per bu.

**2004 production was 2.158 bbu, exports are projected at 1.025 bbu and ending stocks estimated at 558 mbu.**

**Corn --** Harvested acreage is forecast at 74.6 million, with an average yield of 145.6 bu/A and total production at 10.86 billion bu. Carry-in supplies of 2.010 bbu would put total supply at 12.885 bbu. USDA projects domestic feed usage at 5.95 bbu, food, seed and industrial at 1.38 bbu, ethanol use at 1.5 bbu, and exports at 1.95 bbu, resulting in total use of 10.78 bbu. Carryover is forecast at 2.105 bbu, with a season-average price of \$1.90 per bu.

**2004 production was a record 11.807 bbu, exports are projected at 1.9 bbu and ending stocks estimated at 2.01 bbu.**



**Note: Portland Barley Exports didn't have a quote from July 23 – Sept. 24, 2004**

### Monthly Average Price for Idaho & US Barley (bu.)

