

Idaho Grain Market Report, July 17, 2008

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 16, 2008. 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) \$14.00 (6-R) \$14.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$10.25	(2-R) NQ (6-R) NQ	\$6.59	\$7.95	\$8.42
Idaho Falls	NQ	(2-R) \$14.50-\$16.00 (6-R) \$14.50	NQ	NQ	NQ
Blackfoot / Pocatello	\$8.00	(2-R) \$14.00 (6-R) \$14.00	\$6.60	\$7.45	\$7.90
Grace / Soda Springs	\$10.60	(2-R) NQ (6-R) NQ	\$6.89	\$7.75	\$8.24
Burley / Rupert Hazelton	\$9.50-\$10.00	(2-R) \$14.50 (6-R) NQ	\$6.45	\$7.45	\$8.09
Twin Falls / Eden / Buhl	\$10.00	(2-R) NQ (6-R) NQ	\$6.10	NQ	NQ
Weiser	\$10.00	(2-R) NQ (6-R) NQ	\$6.71	NQ	NQ
Nez Perce / Craigmont	\$10.08	(2-R) \$10.08 (6-R) \$10.08	\$7.56	\$8.73	\$9.18
Lewiston	\$10.48	(2-R) \$10.48 (6-R) \$10.48	\$7.73	\$8.90	\$9.35
Moscow / Genesee	\$10.13-\$11.35	(2-R) \$10.13 (6-R) \$10.13	\$7.52-\$8.05	\$8.69-\$9.26	\$9.14-\$9.74

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	July \$7.80-\$8.05 Aug \$7.90-\$8.05	July \$9.29-\$9.51 Aug \$9.21-\$9.31	July \$9.59-\$9.79 Aug \$9.59-\$9.79
Los Angeles	\$13.00	NQ	NQ	NQ	NQ	NQ
Stockton	\$14.75-\$15.00	NQ	NQ	NQ	NQ	NQ
Tulare	\$13.50	NQ	NQ	NQ	NQ	NQ
Ogden	\$10.71	NQ	NQ	\$7.10	\$7.98	\$8.51
Great Falls	\$8.60-\$9.55	NQ	\$11.00	NQ	\$7.83-\$8.05	\$8.42-\$8.59
Minneapolis	\$9.37	NQ	\$15.10	NQ	\$9.34 (12%)	\$9.94

Market trends this week

BARLEY – Local barley prices were steady to slightly higher this week. Barley export sales last week totaled 4.1 TMT for Canada, Taiwan and Mexico. Barley export shipments last week totaled 1.2 TMT were reported for Canada and Taiwan.

WHEAT – Local wheat prices were mixed this week. Wheat export sales last week were again above expectations at 748.6 TMT, up 21% from the previous week and 29% from the prior 4-week average. Export shipments last week were 644.9 TMT, up 13% from the previous week and 37% from the prior 4-week average.

Wheat Competitor/Buyer News – USDA Ag Attache has lowered the Australian crop estimate to 22.4 MMT, despite the fact that USDA officially reported a crop of 25 MMT in last Friday's monthly S&D report. India reportedly is considering selling 6 MMT of government wheat stocks into their domestic market. Egypt purchased 240 TMT optional origin wheat this week. Iraq is reported to be seeking 300 TMT of wheat on a tender that was originally scheduled for only 50 TMT. Other tenders also include Algeria with 50 TMT. Several buyers are tendering, including Egypt, Iraq,

Jordan and Pakistan. Recent rains have boosted wheat plantings in Argentina, but the Buenos Aires Grain Exchange is projecting this year's planted area will be only 4.8 million hectares, down 13% from last year and the lowest level in 15 years. The French wheat crop has been pegged at 36.64 MMT, up 19% from last year.

CORN - Corn export sales last week were slightly above expectations at 369.2 TMT (plus 460.8 TMT new crop), up 9% from the previous week and 20% from the prior 4-week average. Corn export shipments last week hit a marketing year low at 689.1 TMT, which was down 26% from the previous week and 34% from the prior 4-week average. Cumulative export sales for MY 2007/08 have reached 97.6% of the USDA forecast versus a 5-year average of 94%.

Corn Competitor/Buyer News – Last week South Korean feed mixers purchased 165 TMT of feed wheat, beginning the shift away from corn to lower priced feed wheat.

Futures market activity this week

Wheat – The wheat market began the week lower under pressure from an active harvest pace and corn liquidation. Disappointing export shipments also weighed on the markets. Prices sank on Tuesday to the lowest level in a month on mostly spillover pressures from corn and other outside markets. Rain expected later in the week in northern HRS production area also provided underlying pressure. Prices rallied on Wednesday, after early weakness, on local and fund buying. Wheat finished lower today (Thursday) on harvest pressure and in sympathy with sharply lower corn, soybean and crude oil markets. **Wheat market closes Thursday, 7/17. Please note we are reporting Sept and Dec 08 contracts.**

	<u>Sept 08</u>	<u>Weekly Summary</u>	<u>Dec 08</u>	<u>Weekly Summary</u>
Chicago	\$8.09 ½	Down \$.21 ¼	\$8.33 ¾	Down \$.21 ¼
Kansas City	\$8.38 ½	Down \$.26	\$8.60 ¾	Down \$.25 ¼
Minneapolis DNS	\$8.80	Down \$.16 ½	\$8.89	Down \$.20 ¾

Corn –The corn market began the week sharply lower on continued long liquidations sparked by favorable crop weather and ideas that the U.S. corn crop will top 12 billion bushels. Corn moved lower on Tuesday under pressure from favorable growing conditions and sharply lower crude oil, which is weaker on demand concerns. The corn market remains very sensitive to weather, but current warm temps interspersed with periodic rains remains very favorable for crop development. Weather forecasts remain uncertain, however, with some analysts showing hotter weather in the extended forecasts, particularly for the Central and Western Corn Belt, potentially causing some stress during the critical pollination period. Higher wheat and soybeans pulled corn prices higher on Wednesday despite another sharp drop in crude oil and a higher US dollar. Corn prices closed lower today (Thursday) on continued favorable growing conditions and also spillover pressure due to the continued slide in crude oil. **Sept 08 corn contract closed on Thursday, 7/17, at \$6.31 ¼, down \$.59 ¾ for the week and the Dec 08 contract at \$6.50, down \$.59 ¼ for the week.**

Major Factors to Watch

- § **Crude oil** – Crude oil prices opened the week slightly higher as geopolitical tensions continued. Tensions between Iran and Israel eased somewhat but worker strikes began in Brazil, taking some of their supply off-line. President Bush lifted a presidential ban on off-shore drilling in the U.S., but Congress and state governments must still act. However, experts warn that renewed off shore drilling won't bring new capacity on-line until 2030.
- § **International Weather Watch** –
 - **Europe** – Central/northern regions continued to receive periodic showers that are beneficial to filling spring wheat.
 - **Russia / Ukraine** – Drier weather is aiding winter grain harvest but is reducing soil moisture for spring planted crops. Showers have eased short term dryness in the Ukraine but is slowing winter grain harvest in some areas.
 - **Canada** – Grain crops across the Western prairies are in relatively good shape, with mostly cool showery conditions.
 - **Australia** – New South Wales, Victoria and South Australia received widespread soaking rains which have provided a needed boost to topsoil moisture and winter grain prospects. Western Australian has received only light showers and needs more rain urgently.
 - **South America** – In Brazil, conditions favor winter wheat development. Showers across central Argentina have boosted topsoil moisture needed to germinate the recently planted wheat crop. More rain is needed to improve prospects.

USDA Crop Progress / Condition Report, July 17, 2008

Crop	Crop Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	78% headed	58%	92%	84%	67%	69%	71%
ID barley	66% headed	46%	91%	79%	86%	85%	
US spring wheat	84% headed	58%	90%	86%	61%	69%	76%
ID spring wheat	68% headed	40%	94%	85%	86%	88%	
US winter Wheat	62% harvested	52%	67%	70%			
ID winter Wheat	0% harvested	0%	1%	1%			
US corn	13% silking	6%	50%	36%	64%	62%	64%