Idaho Grain Market Report, October 23, 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, October 22, 2008. Barley prices in $/Cwt. and wheat prices in $/bu.

Selected Locations	Barley (Cwt.) #2 Feed, 48 lbs or better	Open market malting	Wheat (bu.) #1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) $10.50 (6-R) $12.75	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	$7.50	(2-R) NQ (6-R) NQ	$4.20	$4.65	$6.25
Idaho Falls	$6.75	(2-R) $12.50 (6-R) $12.50	$4.34	$4.79	$6.09
Blackfoot / Pocatello	$7.25	(2-R) $10.50 (6-R) $12.75	$4.25	$4.89	$6.62
Grace / Soda Springs	$7.42-$8.25	(2-R) $12.50 (6-R) NQ	$4.32	$4.62-$4.98	$6.35-$6.48
Burley / Rupert Hazelton	$6.50-$7.50	(2-R) $12.50 (6-R) NQ	$3.94-$4.25	$4.46	$5.89
Twin Falls / Eden / Buhl	$8.00-$8.10	(2-R) NQ (6-R) NQ	$4.00-$4.80	NQ	NQ
Weiser	$7.00	(2-R) NQ (6-R) NQ	$3.59	NQ	NQ
Nez Perce / Craigmont	$5.48	(2-R) $6.98 (6-R) $6.98	$3.86	$5.42	$6.85
Lewiston	$5.93	(2-R) $7.43 (6-R) $7.43	$4.05	$5.61	$7.04
Moscow / Genesee	$5.53-$7.50	(2-R) $7.03 (6-R) $7.03	$3.82-$4.50	$5.38-$6.00	$6.81-$7.65

Trading Prices at Selected Terminal Markets, cash prices FOB

	Barley (Cwt.) #2 Feed 46 lbs. -- unit trains barge	Single rail cars-domestic	Malting	Wheat (bu.) #1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	Oct $4.50-$4.95 Nov $4.50-$5.00	Oct $5.85-$6.05	Oct $7.35-$7.65
Los Angeles	$9.85	NQ	NQ	NQ	NQ	NQ
Stockton	$11.50-$12.00	NQ	NQ	NQ	NQ	NQ
Tulare	$9.85	NQ	NQ	NQ	NQ	NQ
Ogden	$7.62	NQ	NQ	$4.48	$4.76	$6.40
Great Falls	$5.20-$5.75	NQ	$11.25	NQ	$4.31-$4.43	$6.40-$6.58
Minneapolis	$6.25	NQ	NQ	NQ	$5.64 ¾ (12%)	$6.79 ¾ - $6.84 ¾

Market trends this week

BARLEY – Local barley prices were steady to slightly lower this week. Barley export sales last week totaled 30.2 TMT for Japan. Barley export shipments last week totaled 5.9 TMT for Japan, Mexico and Canada.

WHEAT – Local wheat prices were lower this week. Wheat export sales last week were on the low end of trade expectations at 383.9 TMT, down 12% from the previous week and 19% from the prior 4-week average. Export shipments last week totaled 519.6 TMT, down 20% from the previous week and 29% from the prior 4-week average.

Wheat Competitor/Buyer News – Egypt purchased 175 TMT of French wheat this week, passing on U.S. offers. Tunisia tendered for 175 TMT of soft wheat.

CORN - Corn export sales last week were on the high end of trade expectations at 789.6 TMT, down 19% from the previous week, but up 4% from the prior 4-week average. Export shipments last week totaled 753.6 TMT, down 18% from the previous week and 23% from the prior 4-week average.

Corn Competitor/Buyer News – Iran reportedly purchased 300 TMT of corn this week.

Futures market activity this week

This week there were signs that the financial credit logjam was starting to ease, but renewed fears about a global recession continued to dominate trading activity. For now global economic concerns are driving speculative monies away from stocks and commodities and into cash investments. This, in turn, has sparked a sharp rally in the dollar – rising to 2-year highs – which could spell trouble for U.S. commodity exports down the road.

Wheat – Wheat markets began the week moderately lower despite a sharply higher stock market. Disappointing export inspections provided pressure along with ideas that the winter wheat crop was off to a strong start. Losses were limited by oversold conditions. Prices plummeted on both Tuesday and Wednesday under pressure from a broad sell-off in stocks and commodities in the face of renewed recessionary concerns. A sharply higher U.S. dollar also provided pressure. Wheat finished modestly higher today (Thursday), on outside market strength. **Wheat market closes on Thursday, 10/23…**

	Dec. 08	Weekly Summary	Mar. 09	Weekly Summary
Chicago	$5.23	Down $.63 ½	$5.42	Down $.44 ½
Kansas City	$5.53	Down $.44 ¼	$5.70	Down $.44 ½
Minneapolis DNS	$6.06 ¼	Down $.34 ¼	$6.02 ¾	Down $.41 ½

Corn – Corn prices began the week on an upswing, with support from higher crude oil and stocks. However, gains were short-lived as sharply lower stocks and oil pummeled the commodity markets on Tuesday and Wednesday. A stronger dollar also weighed on commodities. Corn prices finished modestly higher closed today (Thursday) on fund buying sparked by higher stocks and energies. **Dec 08 corn contract closed on Thursday, 10/23, at $3.90 ¼, down $.12 ¾ for the week and the Mar 09 contact at $4.06 ¼, down $.14 ¼ for week.**

Major Factors to Watch

- **Crude oil –** Crude oil began the week higher, but then fell sharply – below $70/bbl - under pressure from concerns about a global recession and sharply lower demand. Crude turned higher today in positioning ahead of tomorrow's OPEC meeting which is expected to result in a production cut. The trade indicates that a cut of 500,000 to 1 million barrels has already been factored into the markets. Merrill Lynch analysts are now projecting crude oil prices could fall as low as $55/barrel.
- **U.S. Weather Watch –** Widespread rains continued to hamper corn harvest across the Midwest this week with some concerns about wind damage in some areas where corn harvest is lagging. **U.S. corn was reported to be only 29% harvested at the beginning of the week, compared to 53% average.** Meanwhile, winter wheat planting and emergence continue on a strong pace and have benefited from recent moisture.
- **International Weather/Crop Watch –**
    - **Australia** – Recent moisture continued to favor eastern regions while South Australia and Victoria (25% of the grain belt) experienced persistent drought conditions that are believed to have sharply reduced yield potential. Recent dry weather in Western Australia has reduced moisture available for filling winter grain but showers were expected to increase across this region through Friday. At least one private crop forecasting group is now projecting the Australian wheat crop could fall to 19 MMT this year, down from earlier projections of 21 to 22 MMT.
    - **Argentina –** Moderate to heavy showers have benefitted immature grains and have improved corn planting conditions. Early in the week, Argentine corn planting was estimated to be 40% completed.