

Idaho Grain Market Report, May 15, 2008

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 14, 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	\$9.75	(2-R) NQ (6-R) NQ	\$8.53	\$8.10	\$10.40
Idaho Falls	\$10.50	(2-R) \$15.00 (6-R) NQ	\$9.00	\$8.36	\$9.78
Blackfoot / Pocatello	NQ	(2-R) \$14.20 (6-R) \$14.20	NQ	NQ	NQ
Grace / Soda Springs	\$9.77	(2-R) NQ (6-R) NQ	\$8.95	\$8.29	\$10.61
Burley / Rupert Hazelton	\$9.05-\$10.00	(2-R) \$14.50 (6-R) NQ	\$6.50-\$8.30	\$7.56-\$7.75	\$8.60-\$9.98
Twin Falls / Buhl Eden	\$9.00-\$9.50	(2-R) NQ (6-R) NQ	\$7.98	NQ	NQ
Weiser	\$8.00	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Nez Perce / Craigmont	\$9.28	(2-R) \$13.28 (6-R) \$13.28	\$7.46	\$8.87	\$10.49
Lewiston	\$9.68	(2-R) \$13.68 (6-R) \$13.68	\$7.63	\$9.04	\$10.66
Moscow / Genesee	\$9.33-\$10.00	(2-R) \$13.33 (6-R) \$13.33	\$7.42	\$8.83-\$9.43	\$10.45-\$11.67

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	June \$7.60-\$8.00 New Crop \$7.95-\$8.00	May \$9.21-\$9.61 New Crop \$8.82-\$8.87	Aug \$9.58-\$9.78
Los Angeles	\$13.00	NQ	NQ	NQ	NQ	NQ
Stockton	\$14.50-\$14.85	NQ	NQ	NQ	NQ	NQ
Tulare	\$13.50	NQ	NQ	NQ	NQ	NQ
Ogden	\$9.80	NQ	NQ	\$9.10	\$8.15	\$10.12
Great Falls	\$7.85-\$8.40	NQ	\$14.50	NQ	\$7.14-\$8.16	\$8.45-\$10.28
Minneapolis	\$11.15	NQ	\$15.10	NQ	NQ	\$12.13-\$12.73

Market trends this week

BARLEY – Local barley prices were mostly unchanged again this week. Barley export sales last week totaled 2.5 TMT for Canada and Japan. There were no reported export sales last week.

Barley Competitor/Buyer News – ABARE has pegged the new Australian barley crop at 9 MMT, compared to 5.9 MMT a year ago, but harvest is still 6 months away and planting conditions remain very dry in some areas. Rain was forecast for this weekend.

WHEAT – Local wheat prices were lower this week with SWW trading slightly lower and HRW and DNS mostly lower. Net wheat export sales last week came in near the high end of trade expectations at 120.7 TMT (plus 443.6 TMT new crop), which was 33% below the previous week and 25% below the prior 4-week average. Export shipments last week totaled 600.1 TMT were 5% below the previous week and 16% above the prior 4-week average. Cumulative wheat

exports to date stand at 91.7% of the projected total for the marketing year which ends May 31, compared to an average of 91.1%.

Wheat Competitor/Buyer News – Pakistan is expected to increase its wheat imports from 1.5 MMT to 2.5 MMT this year. Iraq has issued another tender for 50 TMT of hard wheat.

CORN – Corn export sales last week were also near the high end of trade expectations at 547.2 TMT (plus 139.3 TMT new crop), 62% above the previous week, however 14% below the prior 4-week average. Corn export shipments last week totaled 994.9 TMT, which was 6% above the previous week, however 4% under the prior 4-week average.

Corn Competitor/Buyers News – China National Grain and Oil Info Center has pegged 2008 Chinese corn production at 149 MMT, 1 MMT below USDA's estimate last week.

Futures market activity this week

Wheat – Wheat prices began the week mixed to mostly higher on unsettled weather. July Minneapolis remained well above Sept. on support from short covering. Wheat closed lower on both Tuesday and Wednesday – setting a new low for 2008 – under pressure from crop friendly weather and spillover weakness in corn and crude oil as well as a firmer US dollar. Wheat finished higher today (Thursday) after a low start in sympathy with outside markets, this encouraged technical buying and short covering. **Wheat market closes on Thursday, 5/15.**

	<u>July 08</u>	<u>Weekly Summary</u>	<u>Sept 08</u>	<u>Weekly Summary</u>
Chicago	\$7.71 ½	Down \$.33	\$7.86	Down \$.32 ½
Kansas City	\$8.21 ½	Down \$.22	\$8.31	Down \$.24
Minneapolis DNS	\$10.16	Up \$.13	\$8.68 ¾	Down \$.27

Corn – The corn market began the week lower with the negative tone blamed on drier than expected weather forecasts and disappointing export inspections. Prices continued under pressure Tuesday and Wednesday from improved planting weather. Corn started today (Thursday) lower following crude oil, but was able to pick up a rally late in the session to close higher in both old and new contracts. **July 08 corn contract closed on Thursday, 5/15, at \$5.99, down \$.30 ¼ for the week and the Sept 08 contract at \$6.11 ¼, down \$29 ¾ for the week.**

Weather Remains the Major Factors to Watch

- § **U.S. Weather Watch** – Conditions turned drier this week, accelerating corn planting across the Corn Belt. Trade analysts expect planting progress to catch up to near normal by mid next week. Cooler temperatures have slowed emergence, however, pegged at 11% compared to a 5-year average of 33%.
- § **International Weather Watch** –
 - **Europe** – Recent dry warm weather has aided fieldwork, while periodic scattered showers have delivered favorable moisture for crop development. Spain has seen drought conditions ease.
 - **Australia** – Western and Southeastern states have received showers, improving soil moisture for winter barley and wheat planting. However soil conditions have remained mostly dry in New South Wales. Soaking rains are still needed to ease drought impacts from the past two years. Rain is forecast for the end of this week.
 - **Canada** – Spring grain planting is underway, but is progressing slowly due to cold, dry conditions.
 - **Russia / Ukraine** – Generous topsoil moisture has helped spring crop emergence and winter grain development. Spring grain planting has been ahead of schedule, but unseasonably cold weather recently has slowed crop development.
 - **South America** – Dry weather has been dominant recently, aiding rapid corn and soybean harvesting. Brazil has received favorable moisture for second crop corn and winter wheat development.
 - **Middle East** – Recent rains have been favorable for grain development in Turkey, but other areas remain mostly dry with worsening drought spreading across the eastern growing areas.
 - **Northern Africa** – Dry hot conditions have lowered yield potential for filling winter wheat and barley. Heavy rains in the past week arrived too late to help maturing grain crops.

USDA Crop Progress / Condition Report, May 12, 2008

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	77%	53%	82%	74%			
ID barley	73%	54%	86%	81%			
US spring wheat	81%	58%	82%	78%			
ID spring wheat	85%	69%	90%	88%			
US winter Wheat headed	36%	26%	47%	53%	47%	47%	58%
ID winter Wheat headed	0%	0%	1%	1%	84%	83%	
US Corn	51%	27%	71%	77%			

