Idaho Grain Market Report, May 15, 2014

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, May 14, 2014. Barley prices in $/Cwt. and wheat prices in $/bu.

	Barley (Cwt.) FEED	MALTING	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) $10.00 (6-R) $10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	$8.25	(2-R) NQ (6-R) NQ	$6.03	$6.97	$7.02
Idaho Falls	$8.75	(2-R) $11.46-$11.75 (6-R) $11.46	$6.00	$7.28	$7.56
Blackfoot / Pocatello	NQ	(2-R) $10.00 (6-R) $10.00	NQ	NQ	NQ
Grace / Soda Springs	$9.00	(2-R) NQ (6-R) NQ	$6.02	$6.99	$7.10
Burley / Rupert Hazelton	$8.50	(2-R) $11.46 (6-R) $11.46	$6.30	NQ	NQ
Twin Falls / Eden / Buhl	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Nez Perce / Craigmont	$8.30	(2-R) $8.30 (6-R) $8.30	$6.80	$8.16	$8.23
Lewiston	$8.80	(2-R) $8.80 (6-R) $8.80	$7.05	$8.41	$8.48
Moscow / Genesee	$8.30-$9.00	(2-R) $8.30 (6-R) $8.30	$6.82-$7.01	$8.18-$8.42	$8.25-$8.44

Prices at Selected Terminal Markets, cash prices FOB

	#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	May $7.55 ¼-$7.80 Aug NC $7.45-$7.59	May $8.86 ¼ Aug NC $8.65 ¾-$8.80 ¾	May $9.08 ¼-$9.13 ¼ Aug NC $8.65 ¾-$8.80 ¾
Los Angeles	$13.25	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	$13.25	NQ	NQ	NQ	NQ	NQ
Ogden	$9.15	NQ	NQ	$6.37	$7.18	$7.21
Great Falls	$6.25-$6.50	NQ	$9.50	NQ	$6.99-$7.13	$7.04-$7.60
Minneapolis	$8.33	NQ	$13.02	NQ	$8.26 ¼ (12%)	$8.98 ¼-$9.23 ¼

Market trends this week

BARLEY – Local barley prices were lower this week with southern Idaho locations reporting no change to 25 cents lower and northern Idaho reporting no change. USDA reported that barley export sales totaled 2.1 TMT for MY 2013/14 and export shipments totaled 36.2 TMT last week.

WHEAT – Local wheat prices were mostly lower this week: SWW ranged from no change to 65 cents lower; HRW ranged from 18 to 39 cents lower; and DNS ranged from 19 cents higher to 5 cents lower. USDA reported wheat export sales last week were within trade expectations at 252 TMT (54.9 TMT for MY 2013/14 and 197.1 TMT for MY 2014/15), down 83% from the previous week and the prior 4 week average. Wheat export shipments last week were at 635.3 TMT, up 21% from the previous week and 12% from the prior 4 week average

Wheat Competitive/Buyer News – Strategie Grains raised its European wheat export foreast for the current MY 2013/14 by 1.3 MMT to a record high 28.1 MMT. They also pegged 2014 European wheat production at 137.2 MMT, up 2% from last year. China National Grains & Oils Information Center pegged China's 2014 wheat crop at 122.6 MMT, up 2% from last year. They also pegged Chinese wheat imports falling from 7 MMT in the current year to 3 MMT in MY 2014/15. Jordan purchased 100 TMT of Romanian wheat this week.

CORN – Corn export sales last week were within trade expectations at 390.3 TMT (343 TMT for MY 2013/14 and 47.3 TMT for MY 2014/15), up 112% from the previous week, but down 39% from the prior 4 week average. Corn export shipments last week came in at 1.02 MMT, down 28% from the previous week and 23% from the prior 4 week average.

Ethanol corn usage – DOE's Energy Information Agency reported an impressive uptick in weekly ethanol production …increasing 28,000 bbls to 922,000 bbls per day – up 3.13% from the previous week and up 7.6% from last year. Weekly corn usage jumped to 96.8 mbu, but remains below the weekly pace of 99.3 mbu needed to achieve USDA's projection of 5.05 billion bu for the current MY 2013/14.

Corn Competitor/Buyer News – Rosario Grain Exchange is now projecting the Argentine corn crop at 23.9 MMT, in line with USDA's projection of 24 MMT. Ukraine projects their 2014 corn plantings at 5.136 million hectare, up 7% from last year. China National Grains & Oils Information Center pegged China's 2014 corn crop at a record 222.1 MMT, up 2% from last year. They also pegged Chinese corn imports falling from 5.5 MMT in the current year to 3.5 MMT in MY 2014/15. Strategie Grains pegged 2014 European corn production at 65.9 MMT, up 2% from last year. South Korea was an active corn buyer this week, purchasing 126 TMT of U.S. corn early in the week along with 120 TMT optional origin. This was followed by another purchase of 188 TMT of corn – 125 TMT U.S. or South American origin and 63 TMT optional origin. Taiwan bought 60 TMT of Brazilian corn.

Futures Market trends this week

WHEAT – Wheat futures settled lower on Monday after decent rainfall amounts spread across the HRW production region, particularly the Central and Eastern Plains, helping to stabilize winter wheat yields. Spillover pressure also was noted from sharply lower corn and soybeans. Wheat finished mixed to lower on Tuesday on ideas that HRW crop losses have already been factored in, along with export demand concerns. Minneapolis HRS contract closed higher on concerns about the slow spring wheat planting pace across the Northern Plains where cold wet conditions persist, delaying any meaningful progress on spring planting. Wheat extended its losses on Wednesday, closing down double digits as traders focus on prospects for large world wheat supplies this coming marketing year and concerns that U.S. wheat prices are not competitive on world markets. Wheat was the price leader to the downside today (Thursday), posting double digit losses on weakening export demand amd prospects for a large Northern Hemisphere crop. **Wheat market closes on Thursday, 5/15/14** …

	July 2014	Weekly Summary	Sept 2014	Weekly Summary	Dec. 2014	Weekly Summary
Chicago SRW	**$6.78 ¼**	**Down $0. 44 ¼**	**$6.87**	**Up $0.44**	**$7.02 ¾**	**Down $0.42 ½**
KC HRW	**$7.78 ¾**	**Down $0.50**	**$7.84**	**Down $0.50**	**$7.96**	**Down $0.47 ¾**
MGE DNS	**$7.55**	**Down $0.40 ¼**	**$7.62 ¾**	**Down $0.38 ¾**	**$7.68 ½**	**Down $0.42 ¾**

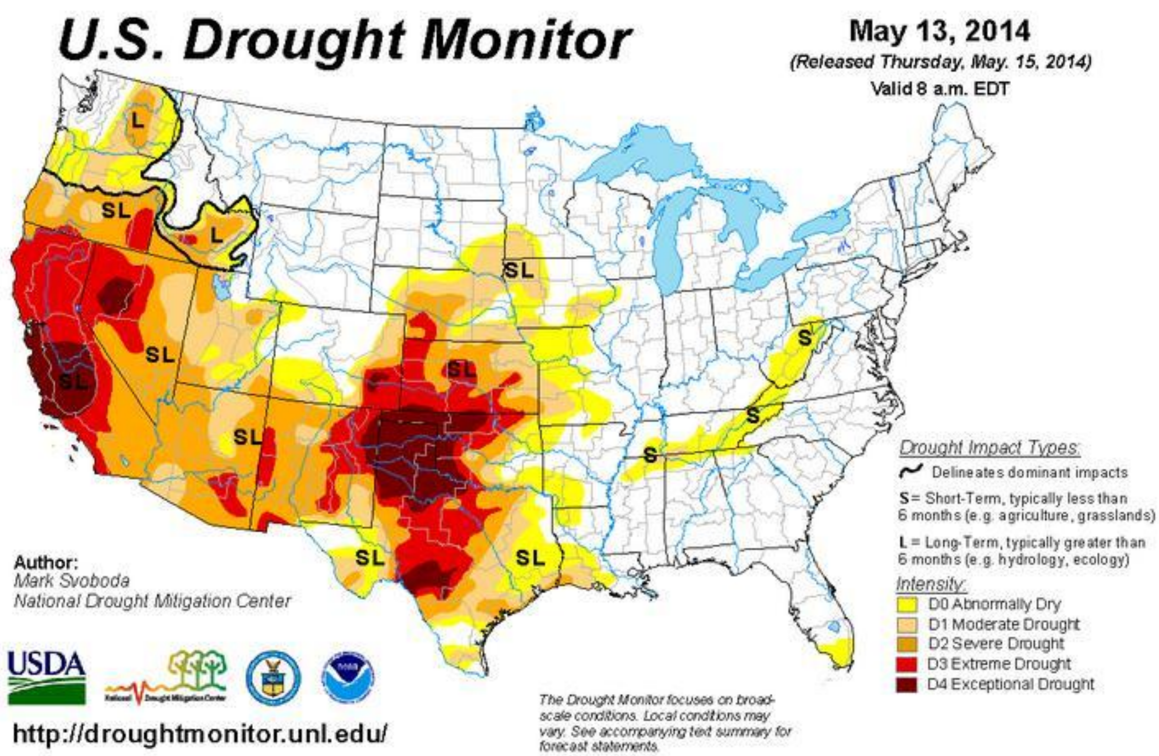
CORN – Corn posted solid losses to start the week on bearish technicals and expectations of rapid planting progress after a mostly dry weekend. Traders expected USDA to report corn planting at 55% completed on Monday, with most of the ECB nearly finished. USDA actually reported a stronger than expected planting pace late Monday afternoon at 59% completed, which is running ahead of the 5-year average of 58%. Emergence remains slow, however, as some areas are still experiencing cooler than normal temperatures. Corn posted a modest bounce on Tuesday on support from oversold technicals and steady signs of rebuilding ethanol and export demand. In mostly quiet choppy trading, corn retreated on Wednesday on a lack of fresh supportive news and spillover pressures. Corn posted double digit losses today (Thursday) under pressure from fund liquidations across the grain and oilseed markets sparked by improving crop weather and lackluster export sales. **Corn futures contract closes on Thursday, 5/15/2014… July 2014 contract at $4.84 ¼, down $0.23 ¼ for the week, Sept. 2014 contract closed at $4.81, down $0.20 ¾ and the Dec. 2014 contract closed at $4.80 ½, down $0.18 ¼ for the week.**

US WEATHER / CROP OUTLOOK –

West – Warmer and drier conditions prevailed for most of this region. Cool overnight temps were forecast for Idaho's Eastern Snake River Plain mid to late week. Record-setting heat is spreading inland from the Pacific Coast into the weekend and early next week. Showers may develop in the Northern and Central Rockies. **Plains –** Beneficial showers covered key HRW wheat areas over the weekend into early this week reducing the most stressed wheat areas to about 35% of the HRW wheat belt. The southwestern belt remains bone dry with little to no rain in the nearby foreccast. USDA confirmed that overall winter wheat crop conditions continued to deteriorate, with P/VP ratings jumping 4% to 42% vs. 39% last year. Cooler overnight temperatures were expected mid week across Eastern CO, NE and parts of KS, threatening winter wheat that is heading in these areas (CO 14% and KS 46%). Unfavorably cool weather lingers in the Northern Plains, delaying spring grain planting. However a break from prolonged showery conditions in the next 1-5 days should help advance planting progress, before showers return in the 6 to 10 day outlook. **Midwest Corn Belt** – A band of showers moved along a cold front this week, stretching from the southwestern plains into Michigan, brinigning moisture to the ECB, cool temps to the WCB and localized flooding in some areas. The 6-10 day outlook shows near to above normal temps and near to below normal rainfall for much of the Central U.S. Corn planting is expected to progress to 80% completed by Monday.

USDA Crop Progress / Condition Report, May 12, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	55% planted	46%	53%	56%			
ID barley	**90% planted**	**87%**	**92%**	**81%**	73%		
US spring wheat	34% planted	26%	40%	53%			
ID spring wheat	**97% planted**	**95%**	**94%**	**86%**	79%		
US winter wheat	44% headed	29%	28%	46%	30% g/ex 42% p/vp	31% g/ex 38% p/vp	32% g/ex 39% p/vp
ID winter wheat	**-- headed**	**--**	**--**	**--**	**84%**	**87%**	
Corn	59% planted	29%	26%	58%			



INTERNATIONAL WEATHER/CROP OUTLOOK –

- **Canada** – Spring planting lags in both Saskatchewan and Manitoba due to recent heavy rainfall and cool soil temperatures.
- **Europe –** Additional widespread showers have alleviated dryness concerns in Germany and maintained favorable crop conditions elsewhere. Sunny hot temperatures have promoted winter grain maturation in Spain.

- **Black Sea –** Showery conditions continue to improve soil moisture and boost yield prospects for much fo Ukraine and Western Russia. Meanwhile, sunny hot condtions have accelerated spring grain planting in Eastern Russia and Kazakhstan.
- **Northern Africa –** Sunny hot conditions accelerated winter grain maturation and early harvesting in Algeria and Tunisia and advanced harvesting across Morocco.
- **Middle East –** Heavy rains slowed grain maturation and harvest in Turkey but boosted summer crop moisture.
- **China –** Widespread showers boosted summer crop conditions across China's key winter wheat region with conditions now turning drier. Northeastern China needs more moisture to promote good corn crop germintation.
- **Brazil –** Parana, Brazil's the #1 corn producing state is expecting a bumper second crop of corn due to favorable rainfall and cooler than normal temperatures.
- **Australia** –Recent rains across Western and Southeastern Australia have slowed planting but maintained excellent soil moisture for winter grain germination. Drying trend this week will aid winter grain planting.

CRUDE OIL – Crude oil posted steady gains through on week to reach the best prices in three weeks on a combination of factors…Ukrainian geopolitical risk premiums, record gains on Wall Street and lower Cushing OK oil inventories which fell to the lowest level since December 2008. DOE's weekly inventory report showed crude oil stocks increased by 947,000 bbls last week, compared to an expected decline of 1.0 million bbls. Distillates decreased by 1.124 million bbls, compaored to an expected build of 500,000 bbls; while gasoline stocks fell by 772,000 bbls, compared to an expecred build of 300,000 bbls. **Crude oil futures finished $0.87 lower to close at $101.50 on Thursday.**