

Idaho Grain Market Report, November 26, 2014

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

Due to the Thanksgiving holiday we will not report local barley and wheat prices this week. We will resume our full weekly Idaho Grain Market Report on December 4, 2014. We wish you all a Happy Thanksgiving!!

Market trends this week

Ethanol corn usage – DOE's Energy Information Agency reported another impressive uptick in weekly ethanol production considering falling crude oil prices - up 12,000 bpd to 982,000 bbls per day, up 1.24% from a week ago and up 5.9% from a year ago. Corn use totaled 103.11 million bu last week and cumulative use at 1.13 billion bu, running ahead of the weekly pace of 99 million bu needed to reach the USDA's estimate of 5.15 billion bu for the marketing year.

Futures Market trends this week

WHEAT – Wheat prices began the week mixed to lower on spillover pressure. Losses were limited by better than export shipments reported for last week at 447 TMT. Wheat posted impressive double digit gains on Tuesday, with KC leading the gains on ideas that deteriorating wheat conditions in Brazil and Argentina will open the door to increased imports of hard red winter wheat from the U.S. Wheat settled higher again today (Thursday) on emerging crop concerns in the Southern Hemisphere (rain at harvest) and cold temperatures in US and Russian winter wheat regions. **Wheat market closes on Thursday, 11/26/14...**

| | Dec. 2014 | Weekly Summary | Mar. 2015 | Weekly Summary | May 2015 | Weekly Summary |
|-------------|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| Chicago SRW | \$5.61 ³ / ₄ | Up \$0.14 ¹ / ₂ | \$5.62 ¹ / ₂ | Up \$0.09 | \$5.69 | Up \$0.08 ¹ / ₂ |
| KC HRW | \$6.21 | Up \$0.17 | \$6.23 ¹ / ₄ | Up \$0.16 ³ / ₄ | \$6.24 ³ / ₄ | Up \$0.13 ³ / ₄ |
| MGE DNS | \$5.98 ¹ / ₂ | Up \$0.13 ³ / ₄ | \$6.02 ³ / ₄ | Up \$0.03 ³ / ₄ | \$6.10 ³ / ₄ | Up \$0.07 ³ / ₄ |

CORN – Corn prices started the week moderately lower in choppy trading, under pressure from fund selling sparked by demand concerns as the U.S. export shipment pace remains sluggish. Cumulative export shipments have reached 18.7% of the USDA's forecast for the year, compared to a 5-year average shipping pace of 21.7%. Corn finished moderately higher on Tuesday on a return of active fund buying sparked by strong domestic demand. Corn posted strong gains today (Thursday) on support from strong ethanol usage and firm cash prices. **Corn futures contract closes on Thursday, 11/26/14... Dec. 2014 contract at \$3.78¹/₄, up \$0.05¹/₂ for the week, Mar. 2015 contract closed at \$3.91¹/₂, up \$0.06¹/₄ and the May 2015 contract closed at \$4.00¹/₄, up \$0.06 for the week.**

CRUDE OIL – Crude oil futures continued to grind lower this week, as the market awaited word from an OPEC two-day meeting in Vienna this week in which members were expected to discuss production cuts to boost prices back above \$85/bbl. The effects of an OPEC production cut will likely be muted in North American markets, as our oil imports have fallen sharply from OPEC countries as a result of rising U.S. and Canadian oil production. Some experts predict that North America will no longer need to import from OPEC within the next 18 months. DOE reported that crude oil inventories increased by 1.94 million bbl, compared to an expected increase of 250,000 bbls. Distillates fell by 1.648 million bbls, while gasoline stocks increased by 1.825 million bbls, compared to an expected increase of 1.5 million bbls. **Crude oil futures finished \$0.40 lower on Thursday to close at \$73.69/bbl, down \$2.82/bbl for the week.**

US WEATHER / CROP OUTLOOK –

West – Late season warmth returned to much of the west this week, spreading eastward across the Intermountain region. A mix of sno and rain prevailed across much of the northern Pacific Northwest region, aiding winter wheat establishment.

Plains – Temperatures rebounded to near to above normal across much of the plains, except the Northern Plains, which were blanketed with wintery mix of snow and rain and windy conditions. **Corn Belt** – Snow showers lingered across the Great Lakes region, where corn harvest is still not complete. USDA reported the corn harvest was 94% completed, leaving an estimated 864 million bushels in the field. **The 6-10 day outlook calls for near to above normal temperatures nationwide, except for colder than normal conditions across the Northern Plains and Upper Midwest.**

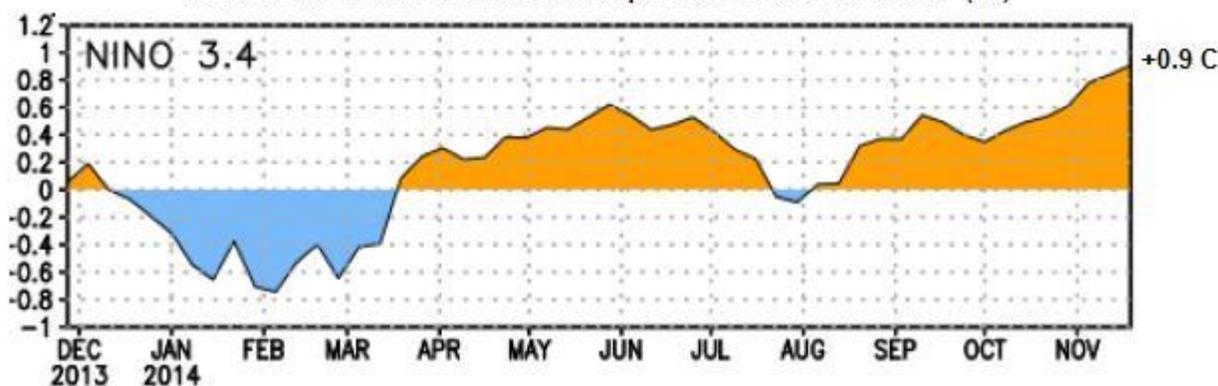
USDA Crop Progress / Condition Report, November 24, 2014 – this is the final USDA weekly crop progress report in 2014. USDA will resume weekly crop reporting in April 2015.

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|-----------|-------------|---------------|---------------|----------------|-----------------------------------|---------------|---------------|
| US winter | 92% emerged | 87% | 92% | 89% | 58% | 60% | 62% |

| | | | | | | | |
|------------------------|---------------------|------------|------------|------------|------------|------------|--|
| wheat | | | | | | | |
| ID winter wheat | 100% emerged | 96% | 98% | 98% | 91% | 94% | |
| Corn | 94% harvested | 89% | 94% | 92% | | | |

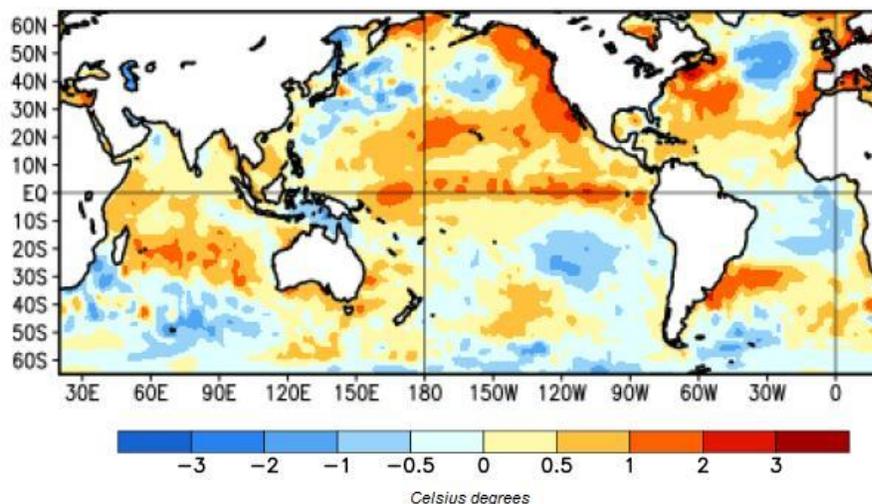
EL Nino weather pattern strengthens- As depicted below, the equatorial sea surface temperatures have warmed to 0.9 C above average, signaling the formation of an El Nino weather cycle. Australian meteorologists have upgraded their forecasts to a 70% chance for El Nino forming this winter, but the US Climate Prediction Center is predicting only a 58% risk of an El Nino, and is predicting a weak event if it forms this winter. This **El Nino influence has been strongly felt across Eastern and Southern Australia**, where extremely dry conditions prevailed for much of October and November. Smaller grain crop harvests are projected for these two key regions. South American crops also are feeling the effects of an emerging El Nino. Argentine corn and soybean planting is running late and wheat harvest has been slowed by excessive moisture. Meanwhile, drought has developed over an enormous area of Eastern Europe and Russia, causing winter grains to go into winter dormancy in relatively poor condition and vulnerable to winterkill. Western Europe's top wheat producing countries of France, Germany and United Kingdom also have turned dry with reduced vegetative growth compared to a year ago. **Check out the recorded NWS Weather Webinar link below...where NWS Hydrologist Troy Lindquist explains the likely effects of an El Nino weather cycle on Idaho snow pack.**

Nino 3.4 Sea Surface Temperature Anomalies (C)



Data source Climate Prediction Center

Average SST Anomalies
26 OCT 2014 – 22 NOV 2014



INTERNATIONAL WEATHER / CROP OUTLOOK –

- **Australia** – Rains continued across the northeastern region, slowing harvest and causing quality concerns.
- **Argentina** – Persistent rains are causing quality concerns as harvest begins.

[LINK TO RECORDED WEBINAR on Understanding the Idaho Harvest 2014 Weather Events and Winter 2015 Weather Outlook](http://connect.cals.uidaho.edu/p9az3133g4g/) presented by the Idaho Barley Commission and National Weather Service can be found at <http://connect.cals.uidaho.edu/p9az3133g4g/>

SOUTH IDAHO

Farm Bill / Crop Insurance Workshops, 8:30 a.m. to 3:00 p.m., Dec. 1-5

Pre-registration required by Nov. 26 by calling Kelly Olson, Idaho Barley Commission, 208.334.2090 or 208.409.9165 (free)

- Dec. 1 – St. Anthony, Fremont County Extension Office
- Dec. 2 – Shilo Inn, Idaho Falls
- Dec. 3- Red Lion Hotel, Pocatello
- Dec. 4 – Burley Inn, Burley
- Dec. 5 – Red Lion Hotel, Twin Falls

Idaho Ag Outlook Seminars, presented by UI Extension, 9:00 a.m. to 4:00 p.m.,

Pre-registration required by Dec. 5 by calling Ben Eborn at Teton County Extension, 208.354.2961 (\$30 per person)

- Dec. 9, Best Western Plus, Caldwell
- Dec. 10 - Burley Inn, Burley
- Dec. 11 - Shilo Inn, Idaho Falls

Topics include:

- Global Ag Outlook—Dr. Cathy Roheim, U of I
- U.S. Economic Outlook—Doug Robison, NW Farm Credit
- Idaho Ag Outlook—Dr. Garth Taylor, U of I
- Input Cost Trends & Outlook—Paul Patterson, U of I
- 2014 Farm Bill Overview—Ben Eborn, U of I
- Grain Situation & Outlook—Kelly Olson, Idaho Barley Commission
- Potato Situation & Outlook—Paul Patterson, U of I
- Beef & Cattle Outlook—Joel Packham, U of I
- Dairy & Alfalfa Situation & Outlook—Wilson Gray, U of I

Idaho Grain Marketing / Hedging Workshops presented by the Idaho Barley Commission, 8:30 a.m. to 12.30 p.m. featuring CHS Hedging market analyst Brian Rydlund, Minneapolis

Pre-registration required by Jan. 8 by calling Kelly Olson, Idaho Barley Commission, 208.334.2090 or 208.409.9165 (\$25 per person)

- Jan. 14, Idaho Falls Hampton Inn, 645 Lindsey Blvd.
- Jan. 15, Burley Inn

NORTH IDAHO

Keeping the Legacy Alive Estate Planning Workshops

presented by Lewis County Extension on Dec. 2, 4 and 5 at the Red Lion Hotel in Lewiston. **Pre-registration required by Nov. 24 by calling Ken Hart at Lewis County Extension, 208.937.2311 (\$25 per person)**

Farm Bill / Crop Insurance Workshops, 8:30 a.m. to 3:00 p.m., Dec. 1-5

Pre-registration required by Jan. 7 by calling Kelly Olson, Idaho Barley Commission, 208.334.2090 or 208.409.9165 (free)

Jan. 12 – Craigmont - Community Center

Jan. 13 – Lewiston – LCSC Williams Conference Center

Jan. 14 – Plummer – Benewah Medical Center

Jan. 15 – Bonners Ferry – Boundary County Extension Office

Targeting Financial Performance / Quickbooks Workshops

presented by Lewis County Extension on Jan. 8, 13 and 15 at the Soltman Center in Grangeville. **Pre-registration required by Dec. 31 by calling Ken Hart at Lewis County Extension, 208.937.2311 (\$25 per farm).**