

Idaho Grain Market Report, December 4, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 3, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

| | <u>Barley (Cwt.)</u> FEED <u>48 lbs or better</u> | <u>MALTING</u> <u>Open market malting</u> | <u>Wheat (bu.)</u> Milling <u>#1 SWW</u> | <u>#1 HRW</u> 11.5% pro | <u>#1 DNS</u> 14% pro | <u>#1 HWW</u> |
|--------------------------|--|--|---|----------------------------|--------------------------|---------------|
| Rexburg/ Ririe/ Roberts | \$4.85 - \$5.10 | NQ | \$6.30 - \$6.60 Feed wheat \$3.50 | \$6.14 | \$7.20 | \$6.29 - 6.80 |
| Idaho Falls | \$5.20 | \$12.50 | \$6.25 - \$6.79 Feed wheat \$3.75 | \$6.29 - 6.65 | \$7.26 - 7.45 | \$6.29 - 6.95 |
| Blackfoot / Pocatello | NQ | \$10.00 | \$6.25 | \$6.65 | \$7.26 | \$6.95 |
| Grace / Soda Springs | \$5.10 | NQ | \$6.50 | \$6.20 | \$7.16 | \$6.20 |
| Burley / Rupert | \$5.20 - 5.75 | \$12.50 | \$6.25 - 6.50 | \$6.05 | \$7.15 | \$6.50 |
| Hazelton | | | | | | |
| Twin Falls / Eden / Buhl | \$5.30 - 6.25 | | Feed wheat \$3.50 | NQ | NQ | |
| Weiser | \$6.00 | NQ | \$6.73 | NQ | NQ | |
| Nez Perce / Craigmont | \$6.30 | | \$6.25 | \$6.76 | \$9.09 | |
| Lewiston | \$6.80 | | \$6.50 | \$7.01 | \$9.34 | |
| Moscow / Genesee | \$6.30 - 6.60 | | \$6.27 - 6.41 | \$6.78 - 6.92 | \$9.11 - 9.35 | \$6.92 |

Prices at Selected Terminal Markets, cash prices FOB

| | #2 Feed 46 lbs. -- unit trains barge | Malting | #1 SWW | #1 HRW 11.5% Protein | #1 DNS 14% Protein | #1 HWW |
|-------------|---|----------------|-----------------|--------------------------------|------------------------------|---------------|
| Portland | | | \$6.85 - 7.44 ½ | \$7.59¾ - 7.64¾ | \$9.51¼ - 9.81¼ | |
| Los Angeles | \$9.50 - 10.20 | | | \$8.82 (13%) | | |
| Tulare | \$9.50 - 10.20 | | | | | |
| Ogden | \$5.45 | | \$6.85 | \$6.55 | \$7.60 | |
| Great Falls | \$4.50 | \$12.00 | | \$6.09 - 6.15 (12%) | \$6.82 - 7.29 | |
| Minneapolis | \$5.10 | \$15.31 | | \$6.99¾ | \$7.96¼ - 8.71¼ | |

Market trends this week

BARLEY - USDA reported barley export sales last week of 2.4 TMT to Japan. Barley export shipments hit a marketing year high of 34.6 TMT, to Japan and the Philippines.

Barley competitor / buyer news – Stats Canada released their revised 2014 crop production report today, showing Canadian barley production at 7.1 MMT, down 30.5% from last year due to both reduced area (down 20%) and lower yields (down 14%).

WHEAT – USDA reported last week's wheat export sales were on the low end of trade expectations at 319.2 TMT, down 26% from the previous week and down 14% from the prior 4-week average. Wheat export shipments totaled 449.6 TMT, down 13% from the previous week but up 54% from the previous 4-week average.

Wheat competitor / buyer news – Stats Canada released their revised 2014 production report today, showing Canadian wheat harvest at 29.3 MMT, well above trade estimates but down 22% from 2013. ABARE cut their Australian wheat production estimate this week by 1 MMT to 23.2 MMT, compared to USDA's estimate last month of 24 MMT, due to severe drought across key production areas of South Australia and New South Wales. The EU raised their soft wheat

export projection to a record 30 MMT, compared to USDA's current projection of 28 MMT. Egypt purchased 175 TMT of wheat this week from Romania and Ukraine.

CORN – USDA reported corn export sales were well above trade expectations last week at 1.17 MMT, up 24% from last week and up 65% from the previous 4-week average. Corn export shipments last week also showed a big improvement from the previous week at 746.4 TMT.

Ethanol corn usage – DOE's Energy Information Agency reported a sizeable downtick in weekly ethanol production last week – down 20,000 bpd to 962,000 bbls per day -- down 2.04% from a week ago but up 5.37% from a year ago. Corn use last week totaled 101 million bu, still above the weekly pace needed to achieve the USDA estimate of 5.15 billion bu for the year.

Corn competitor / buyer news – Brazil exported 2.978 MMT of corn last month compared to 3.178 MMT in October. Informa lowered their Brazilian corn production estimate by 1 MMT to 68.7 MMT and their Argentine crop estimate by 1 MMT to 22 MMT.

Futures Market trends this week

WHEAT – Wheat rallied sharply higher on Monday on aggressive fund buying sparked by a lower dollar and talk that Russia may take steps to curb wheat exports raising fears that not all of the Russian wheat exports that have been booked will be shipped and concerns that Russian winter wheat was vulnerable to winterkill as temperatures have turned sharply colder with a lack of protective snow cover. Forecasts of cold temperatures persisting across US winter wheat areas also provided underlying support. Wheat posted a bearish reversal lower on Tuesday in the face of a sharply higher dollar which has reached a 5 year high, particularly against many of our export competitors. Wheat extended its losses on Wednesday under pressure from increased farmer selling. Wheat settled mixed to lower today (Thursday), under pressure from a bigger than expected Canadian wheat production estimate and lackluster export sales. A sharply lower dollar helped limited the losses. **Wheat market closes on Thursday, 12/04/14...**

| | Dec. 2014 | Weekly Summary | Mar. 2015 | Weekly Summary | May 2015 | Weekly Summary |
|-------------|------------------|-----------------------|------------------|-----------------------|-----------------|-----------------------|
| Chicago SRW | \$5.99¾ | Up \$0.22½ | \$5.89¾ | Up \$0.11¼ | \$5.95 | Up \$0.10½ |
| KC HRW | \$6.27¼ | Down \$0.09¾ | \$6.35½ | Down \$0.04½ | \$6.38¾ | Down \$0.02¼ |
| MGE DNS | \$6.23¼ | Up \$0.02¼ | \$6.18½ | Up \$0.02¼ | \$6.25½ | Up \$0.02 |

CORN – Corn began the week mixed to fractionally lower under pressure from the recent collapse in crude oil prices which could begin to affect ethanol production, but managed to pull higher into the close on spillover support from surging wheat prices and a rebound in crude oil. Corn traded moderately lower in two sided action on Tuesday under pressure from a higher dollar, continued volatility in energies and talk of huge corn stocks in China. Corn pulled modestly higher on Wednesday on technical support, overcoming early pressure from improving planting weather across South America and further strength in the dollar. Corn was pulled solidly higher today (Thursday) on better than expected export sales. **Corn futures contract closes on Thursday, 12/04/14... Dec. 2014 contract at \$3.76, up \$0.00¼ for the week, Mar. 2015 contract closed at \$3.89¾, up \$0.01 and the May 2015 contract closed at \$3.98¾, up \$0.01¼ for the week.**

CRUDE OIL – After falling more than \$7.50/bbl last Friday, crude oil futures posted a \$2 rebound on Monday on support from a lower dollar. But gains were short-lived as prices retreated again on Tuesday as the dollar posted a 5 year high. Prices finished modestly higher on Wednesday on support from an unexpected cut in weekly crude oil inventories but gains were limited by speculation that the global oil market will remain well supplied after OPEC failed to agree to production cuts at their quarterly meeting in Vienna last week. DOE reported that crude oil inventories fell by 3.689 million bbl, compared to an expected increase of 1.75 million bbls. Distillates increased by 3.028 million bbls as the corn harvest winds down and gasoline stocks increased by 2.143 million bbls. **Crude oil futures finished \$0.57 lower on Thursday to close at \$66.81/bbl, up \$0.66/bbl for the week.**

INTERNATIONAL WEATHER / CROP OUTLOOK –

- **Australia** – Eastern Australia continues to receive unfavorable rain at harvest.
- **Brazil** – Weather has turned more favorable this week, with decent rains in the Mato Grosso region benefiting beans and corn. However some areas remain unfavorably dry.
- **Argentina** – After excessive rains recently, conditions turned drier this week, benefiting maturing winter grains and corn planting.

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

Extension Idaho Ag Outlook Seminars, 9:00 a.m. to 4:00 p.m., Dec. 10-11

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

- 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