

Idaho Grain Market Report, December 18, 2014

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

We will not publish an Idaho Grain Market Report the next two weeks. We will resume publication on January 8.

We wish you and your families a Very Merry Christmas and Happy New Year!

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 17, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>			
	<u>FEED</u> <u>48 lbs or better</u>	<u>Open market malting</u>	<u>Milling</u> #1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg/ Ririe/ Roberts	\$5.00 - \$5.25	NQ	\$6.70- - \$6.75	\$6.39	\$7.89	\$6.89- 7.01
			<u>Feed wheat</u> \$3.75			
Idaho Falls	\$5.25	\$12.46 – \$12.50	\$6.35 - \$6.75	\$6.89 – 7.15	\$7.32 -7.90	\$6.89-7.45
			<u>Feed wheat</u> \$3.75			
Blackfoot / Pocatello	NQ	\$10.00	\$6.75	\$7.15	\$7.32	\$7.45
Grace / Soda Springs	\$5.10	NQ	\$6.80	\$6.51	\$7.45	\$6.51
Burley / Rupert	\$5.20 – 5.75	\$12.46	\$6.80	\$6.40	\$7.95	\$6.85
Hazelton						
Twin Falls / Eden / Buhl	\$5.80 – 6.25		<u>Feed wheat</u> \$4.00	NQ	NQ	
Nampa - Weiser	\$5.50 – error last week	NQ	\$7.23	NQ	NQ	
Nez Perce / Craigmont	\$6.80		2015 nc \$6.20 \$6.48	\$7.05	\$8.81	
Lewiston	\$7.30		\$6.73	\$7.30	\$9.06	
Moscow / Genesee	\$6.80 – 7.10		\$6.50–6.67	\$7.07-7.29	\$8.83-9.07	

Prices at Selected Terminal Markets, cash prices FOB

	<u>#2 Feed</u> <u>46 lbs. -- unit</u> <u>trains barge</u>	<u>Malting</u>	<u>#1 SWW</u>	<u>#1 HRW</u> <u>11.5% Protein</u>	<u>#1 DNS</u> <u>14% Protein</u>	<u>#1 HWW</u>
Portland			\$6.88 -7.36½ 10.5 pro \$8.18½- \$8.28½	\$7.76½ - \$7.81½	\$9.44¾ – 9.59¾	
Los Angeles	\$9.50–10.20			\$9.31 (13%)		
Tulare	\$9.50 – 10.20					
Ogden	\$5.45		\$7.10	\$6.88	\$7.90	\$6.88
Great Falls	\$4.50	\$12.00		\$6.27 – 6.44 (12%)	\$7.00 – 7.18	
Minneapolis	\$5.42	\$15.31		\$7.41½	\$8.39¾ -8.59¾	

Market trends this week

BARLEY - Local feed barley prices were stable to 50 cents higher in southern Idaho and 10 cents higher in north Idaho. Open market malting barley prices remained stable this week. USDA reported barley export sales were robust last week at 11.5 TMT with fresh sales to Japan and Taiwan. Export shipments last week totaled to 600 MT to South Korea.

Barley competitor / buyer news – Japan purchased 25 TMT of US barley in the past two weeks. Japan received no bids on a tender for 200 TMT of feed barley this week. Tunisia tendered to buy 25 TMT of feed barley this week.

WHEAT – Wheat prices were sharply higher this week: SWW prices ranged 25 to 51 cents higher; HRW prices ranged from 31 to 77 cents higher; and DNS prices ranged from 22 to 47 cents higher. USDA reported wheat export sales last week were above trade expectations at 509.5 TMT (476.3 TMT for MY 2014/15 and 33.2 TMT for MY 2015/16), up 8% from the previous week and 23% from the prior 4-week average. Export shipments last week totaled 413.7 TMT, up 25% from the prior 4-week average and 12% from the previous 4-week average.

Wheat competitor / buyer news –The EU granted wheat export licenses this week for 514 TMT of soft wheat, bringing cumulative exports to 13.6 MMT compared to 13.4 MMT for the same time period last year. Strategie Grains is projecting 2015 EU soft wheat production at 140.2 MMT, down 5% from 2014. EU all wheat production is pegged at 148.1 MMT. The Russian Veterinary and Phytosanitary Service confirmed this week that they were restricting wheat export phyto certificate approval for some destinations, with the exception of Egypt, Turkey, India and Armenia. Ukrainian wheat production in 2015 is pegged at 20 MMT, down from 23 MMT this year. The Argentine government granted approval this week to export another 1 MMT of wheat in the current marketing year, bringing cumulative wheat export permits to 2 MMT, still far short of the 6 MMT that USDA estimates will be exported by Argentina this year. Saudi Arabian Ag Minister announced this week they would stop buying domestic wheat crop in two years, becoming more reliant on imports.

CORN – USDA reported corn export sales were on the low end of trade expectations at 698.5 TMT, down 28% from last week and 30% from the previous 4-week average. Corn export shipments last week totaled 754 TMT, up 11% from the previous week and 24% from the previous 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported another weekly uptick in ethanol production to a new record high – up 2,000 bpd to 900,000 bbls per day – up 0.2% from a week ago and up 6.68% from a year ago. Corn use last week totaled 103.95 million bu, still above the weekly pace needed to achieve the USDA estimate of 5.15 billion bu. .

Corn competitor / buyer news – Strategie Grains is projecting 2015 EU corn production at 67.6 MMT, down 9% from their record production in 2014. There was confirmation this week that China has at long last approved the importation of Syngenta's Agrisure Viptera GMO corn variety (MIR 162), which has paved the way for China to restart their aggressive purchases of U.S. DDGs. China reportedly booked 900 TMT of DDGs business from the U.S. last week.

USDA released their Long Term Agricultural Projections for 2015-2024 on December 18, two months ahead of their normal February release date. Here is a link to their commodity forecasts...

<http://www.usda.gov/oce/commodity/projections/index.htm>. USDA is projecting 2015 U.S. corn acres will fall about 3 million to 88 million, national average yield is pegged at trendline 167.2 bpa., production at 13.445 billion bu and ending stocks will be less than this year at 1.733 billion bu. The national average corn price is pegged at \$3.40/bu compared to \$3.50 this year. They peg 2015 U.S. wheat acres at 56 million, down just slightly from 2014, ave. yield of 45.5 bpa, production of 2.155 billion bu and ending stocks increasing to 700 million bu. The national average wheat price is pegged at \$5.00/bu compared to \$5.90 this year. U.S. barley acres are expected to recover slightly next year at 3.5 million, ave. yield of 70.7 bpa, production of 212 million bu and ending stocks of 73 million bu. The national average barley price is pegged at \$4.80/bu compared to \$5.15 this year.

Futures Market trends this week

WHEAT – Wheat began the week with a strong rally which extended through the week on fresh fund buying sparked by concerns about Russia limiting wheat exports through the second half of the marketing year and ongoing concerns about the condition of winter wheat crops in both the U.S. and Black Sea regions where wheat stands went into dormancy in relatively poor condition. Despite denials from the Russian Ag Ministry that it was imposing export controls, it was confirmed mid week that Russia is in fact imposing new phytosanitary restrictions on wheat exports to some destinations, but will continue to allow wheat exports to Egypt, Turkey, India and Armenia. Wheat posted modest gains today (Thursday) on continued fund buying triggered by better than expected wheat export sales and ideas that nearby Russian exports will be curtailed and their production prospects are not all that favorable for 2015. **Wheat market closes on**

Thursday, 12/18/14...

	Mar 2015	Weekly Summary	May 2015	Weekly Summary	July 2015	Weekly Summary
Chicago SRW	\$6.55 ³ / ₄	Up \$0.48 ³ / ₄	\$6.56 ³ / ₄	Up \$0.48	\$6.54	Up \$0.46 ¹ / ₄
KC HRW	\$6.83 ³ / ₄	Up \$0.49 ¹ / ₂	\$6.87 ¹ / ₂	Up \$0.50 ¹ / ₂	\$6.88 ¹ / ₄	Up \$0.44
MGE DNS	\$6.61	Up \$0.40 ¹ / ₄	\$6.67	Up \$0.40	\$6.73 ¹ / ₄	Up \$0.39 ¹ / ₄

CORN – Corn posted modest gains to start the week with spillover support from stronger wheat prices offset by pressure from lower soybeans. Disappointing export inspections added to the negative tone. Prices slipped modestly lower on Tuesday in the face of increased farmer selling but losses were limited by rumors that China had lifted its ban on MIR 162 corn variety from the U.S. Corn rebounded on Wednesday on confirmation of China's approval of Syngenta's GMO corn variety and continued spillover from the strong wheat rally. Corn extended its modest gains today (Thursday) on signs of improving demand and spillover support from wheat. **Corn futures contract closes on Thursday, 12/18/14... Mar. 2015 contract at \$4.11, up \$0.03¹/₂ for the week, May 2015 contract closed at \$4.19¹/₂, up \$0.03³/₄ and the July 2015 contract closed at \$4.26¹/₄, up \$0.04³/₄ or the week.**

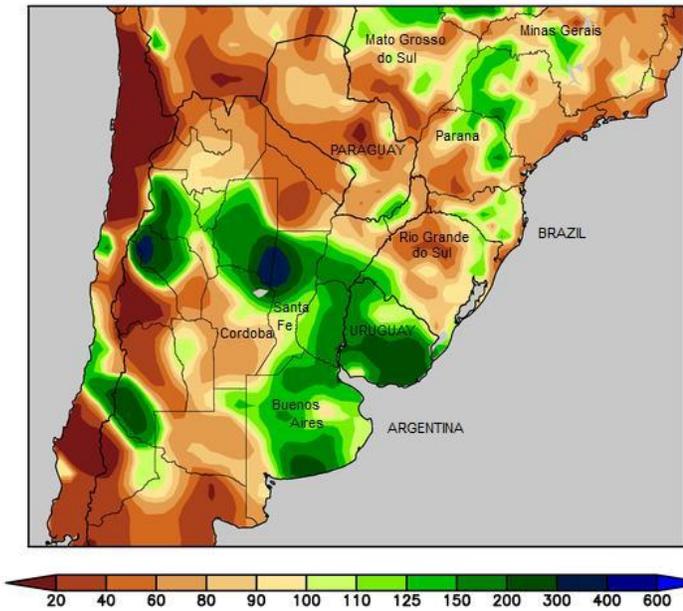
CRUDE OIL – Crude oil futures started the week in a continued sharp selloff – plunging below \$56/bbl for the first time in

5 ½ years - on pressure from a bearish combination of slipping demand and increasing supplies. Prices stabilized on Tuesday and Wednesday on technical buying but the grains were short-lived. DOE reported that crude oil inventories fell last week by 847,000 bbl, less than the expected decrease of 2.25 million bbls. Distillates fell by 207,000 bbls while gasoline stocks increased by 5.25 million bbls. **Crude oil futures finished \$2.36 lower on Thursday to close at \$54.11/bbl, down \$3.70/bbl for the week.**

INTERNATIONAL WEATHER / CROP OUTLOOK –

- **Australia** – Harvest advances, with reduced yield prospects for much of the eastern and southern production areas.
- **Brazil** – Pockets of serious dryness persist in key corn producing states of Parana and Rio Grande do Sul, while Mato Grosso received drenching rains and more rain is in the forecast.
- **Argentina** – Unfavorable rains continued to disrupt winter grain harvest in the largest wheat growing province of Buenos Aires (green area below), causing quality concerns. Other areas remain dry, which is unfavorable for corn planting.

Martell Crop Projections
30-day Precipitation Analysis
Percent of normal through 16 December 2014



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/>

WEBINAR on FARM INCOME TAX CHANGES on Jan. 9, 2015 at 8:00 a.m. MST, featuring Jerry Brown, accountant and IWC board member, sponsored by the Idaho Wheat Commission. Log onto: <http://connect.cals.uidaho.edu/wheat>

WEBINAR on 2015 U.S. Economic & Grain Market Outlook on Jan. 12, 2015 at 8:30 a.m. MST, featuring Doug Robison, Senior Vice President for Western Idaho, Northwest Farm Credit & Kelly Olson, Idaho Barley Commission. Log onto: <http://connect.cals.uidaho.edu/barley>

2015 GRAIN MARKETING & HEDGING 101 WORKSHOPS

sponsored by the Idaho Barley Commission and DL Evans Bank, 8:30 a.m. to noon.

- Jan. 14 – Hampton Inn, Idaho Falls
- Jan. 15 – Burley Inn

Pre-registration required by **Jan. 7** calling Kelly Olson at Idaho Barley Commission at 208.334.2090 or 208.409.9165, or emailing kolson@idahobarley.org

UI Extension Farm & Ranch Management Classes will begin Jan. 14, 2015, at Madison Senior Center in Rexburg from 1:00 to 4:00 pm (classes will run 6 consecutive weeks). Pre-registration required by **Jan. 9** by calling Ben Eborn at Teton County Extension, 208.354.2961 (\$100 per operation).

FARM BILL & CROP INSURANCE WORKSHOPS – NORTH IDAHO, 8:30 a.m. to noon, with breakfast

- Jan. 12 – Craigmonth - Community Center
- Jan. 13 – Lewiston – LCSC Williams Conference Center
- Jan. 14 – Plummer – Benewah Medical Center
- Jan. 15 – Bonners Ferry – Boundary County Extension Office

Pre-registration required by **Jan. 7** calling Kelly Olson at Idaho Barley Commission at 208.334.2090 or 208.409.9165, or emailing kolson@idahobarley.org