

Idaho Grain Market Report, January 8, 2015

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Happy New Year!!

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 7, 2015. 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> <u>#1 SWW</u>	<u>#1 HRW</u> <u>11.5% pro</u>	<u>#1 DNS</u> <u>14% pro</u>	<u>#1 HWW</u>
Rexburg/ Ririe/ Roberts	\$5.00 - \$5.25	NQ	\$6.10- - \$6.25	\$5.77	\$7.10	\$6.39
			<u>Feed wheat</u> \$3.75			
Idaho Falls	\$5.25	\$12.50	\$6.25 - \$6.35	\$5.23 - 6.72	\$6.67 -6.70	\$6.25-6.72
			<u>Feed wheat</u> \$3.85			
Blackfoot / Pocatello	NQ	\$10.00	\$6.25	\$6.72	\$6.67	\$6.72
Grace / Soda Springs	\$5.10	NQ	\$6.40	\$5.92	\$6.39	\$5.92
			<u>Feed wheat</u> \$4.05			
Burley / Rupert	\$5.20 - 6.00	\$12.50	\$6.30 - 6.80	\$5.35	\$6.30	\$5.95
Hazelton						
Twin Falls / Eden / Buhl	\$6.00 - 6.25		<u>Feed wheat</u> \$3.75	NQ	NQ	
Nampa - Weiser	\$6.00	NQ	\$6.67	NQ	NQ	
Nez Perce / Craigmont	\$6.55		\$6.00	\$6.30	\$7.52	
Lewiston	\$7.05		\$6.25	\$6.55	\$7.75	
Moscow / Genesee	\$6.55 - 7.10		\$6.02-6.18	\$6.32-6.51	\$7.54-7.66	\$6.51

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			\$6.57½-6.80 ordinary pro \$7.54 ½-8.04 ½ max 10.5 pro	\$7.05 - \$7.10	\$8.55¾ - 8.65¾	
Los Angeles	\$10.90-11.15			\$8.70 (13%)		
Tulare	\$10.90- 11.15					
Ogden	\$5.50		\$6.80	\$6.30	\$6.85	\$6.30
Great Falls	\$4.50	\$12.00		\$5.61 - 5.73 (12%)	\$6.21 - 6.69	
Minneapolis	\$5.58	\$15.31		\$6.50	\$7.15¾ - 7.65¾	

Market trends this week

BARLEY - Local feed barley prices were mostly stable to 10 cents higher in southern Idaho and stable in north Idaho. Open market malting barley prices remained stable this week. USDA reported no new barley export sales last week while exports totaled 200 TMT, down 69% from the previous week and 72% from the prior 4-week average.

WHEAT - Wheat prices have trended sharply lower since mid December. USDA reported wheat export sales last week were on the low end of trade expectations at 151 TMT for MY 2014/15, down 57% from the previous week and 61% from the prior 4-week average, plus 75.3 TMT for MY 2015/16. Wheat export shipments last week totaled 456 TMT, up 43% from the prior 4-week average.

Average trade estimates for Monday, Jan. 12, USDA quarterly stocks, 2014/15 ending stocks and 2015 winter wheat acreage - The average trade estimates peg quarterly wheat stocks at 1.499 billion bu, down 23% from September

while MY 2014/15 ending stocks are projected to be 12 million bu above last month to 666 mbu due to sluggish demand. 2015 U.S. winter wheat acreage is projected to up only 250,000 from last year's 42.399 million acres.

Wheat competitor / buyer news – Reports this week that the Ukrainian Ag Ministry is planning to meet with grain exporters next week to discuss appropriate grain export levels going forward through the second half of the marketing year, with indications that they may contemplate export taxes if exports rise above their “comfort levels.” Confirmation this week that China purchased 2 cargoes (120 TMT) of U.S. wheat. Egypt tendered for 180 TMT of French wheat overnight. Algeria tendered for 400 TMT of optional origin wheat but ended up buying 700 TMT.

CORN – USDA reported corn export sales were on the low end of trade expectations at 597.6 TMT (387.6 TMT for MY 2014/15 and 210 TMT for MY 2015/16), down 57% from the previous week and down 63% from the previous 4-week average. Corn export shipments last week were disappointing at 510.4 TMT, down 24% from the previous week and 28% from the previous 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported another weekly downtick in ethanol production to 949,000 bbls per day – down 2.37% from a week ago but up 3.26% from a year ago. Corn use last week totaled 99.65 million bu, still above the weekly pace needed to achieve the USDA estimate of 5.15 billion bu. .

Average trade estimates for Monday, Jan. 12, USDA final 2014 production, quarterly stocks and 2014/15 ending stocks – The average trade estimate pegs final 2014 U.S. corn production at 14.349 billion bu, down 58 million bu from USDA's most recent estimate of 14.407 billion bu. Quarterly corn stocks are pegged at 11.123 billion bu, up from 10.453 bbu a year ago.

Corn competitor / buyer news – Brazil exported 3.4 MMT of corn in December, up from 2.978 MMT in November, but well off the previous year's export pace.

Futures Market trends this week

WHEAT – Wheat began the week trading solidly higher, boosted by a fresh round of fund buying after last week's liquidations (lost 30-50 cents value during the slower holiday trading period). Support came cold weather expected to blanket a large section of the winter wheat crop this week, sparking concerns about winterkill particularly in the northern 2/3 of the SRW belt where protective snow cover is not adequate. Wheat prices continued to chop modestly higher on Tuesday on continued fund buying triggered by winter wheat crop deterioration confirmed in state crop progress reports which showed sharp declines in Nebraska, South Dakota, Missouri and Illinois. Wheat prices fell sharply on Wednesday under pressure from a sharp rise in the US dollar to a 9-year high against the euro, thereby reducing U.S. wheat price competitiveness on the world market. Wheat extended these losses today (Thursday) on pressure from disappointing export sales and ideas that the winter wheat freeze damage may be limited to about 1% of the crop. **Wheat market closes on Thursday, 1/08/15...**

	Mar 2015	Weekly Summary	May 2015	Weekly Summary	July 2015	Weekly Summary
Chicago SRW	\$5.67	Down \$0.14 ³ / ₄	\$5.72	Down \$0.14 ³ / ₄	\$5.76³/₄	Down \$0.12 ¹ / ₄
KC HRW	\$6.07³/₄	Down \$0.09 ³ / ₄	\$6.12¹/₄	Down \$0.09 ³ / ₄	\$6.15¹/₂	Down \$0.08 ³ / ₄
MGE DNS	\$6.08¹/₂	Down \$0.02 ¹ / ₂	\$6.15¹/₄	Down \$0.03 ³ / ₄	\$6.22¹/₄	Down \$0.04 ¹ / ₄

CORN – Corn posted double digit gains to start the week, buoyed by fresh fund buying sparked by news that China was seeking to buy US DDGs and talk of expanding dryness across key Brazilian growing areas. Slow export inspections limited the gains. Tuesday saw corn settle modestly lower in choppy two-sided trading, as index fund rebalancing began and positioning ahead of USDA's January 12 final 2014 corn production, quarterly stocks and monthly S&D reports. Corn extended its losses on Wednesday under pressure from a rising dollar, collapsing energy prices and profit-taking pressures. Corn finished modestly lower today (Thursday) on signs of improving export demand but lackluster US sales and additional positioning ahead of Monday's key reports. **Corn futures contract closes on Thursday, 1/08/15... Mar. 2015 contract at \$3.94¹/₄, down \$0.01¹/₂ for the week, May 2015 contract closed at \$4.02³/₄, down \$0.01³/₄ and the July 2015 contract closed at \$4.09 ¹/₂, down \$0.01³/₄ or the week.**

CRUDE OIL – Crude oil futures continued spiraling downward this week, collapsing to the lowest levels since 2009. Surging global output coupled with lackluster Chinese and European demand remain the main drivers. DOE reported that crude oil inventories fell last week by 2.062 million bbl, compared to expected increase of 700,000 bbls. Distillates increased by a whopping 11.205 million bbls, while gasoline stocks increased by 8.115 million bbls. Cushing OK inventories rose by 1.3 million bbls to 32.1 million bbls last week, the highest level since February. US oil production climbed to 9.14 million bbls per day, the highest level since data collection began in 1983. OPEC production (40% of the world's reserves) remained steady at 30.2 million bpd. **Crude oil futures finished \$0.14 higher on Thursday to close at**

\$48.79/bbl, down \$3.90/bbl for the week.

El Nino Signal weakened last month but the National Oceanic and Atmospheric Administration (NOAA) says there is still a 50% to 60% chance of a weak El Nino event developing the next 2 months. NOAA stated this week, "The positive subsurface heat content anomalies (averaged between 180o-100oW) decreased during December in response to an upwelling equatorial oceanic Kelvin wave. Although the surface and sub-surface temperature anomalies were consistent with El Niño, the overall atmospheric circulation continued to show only limited coupling with the anomalously warm water. The equatorial low-level winds were largely near average during the month, while upper-level easterly anomalies continued in the central and eastern tropical Pacific. The Southern Oscillation Index (SOI) remained slightly negative, but the Equatorial SOI remained near zero. Also, rainfall remained below-average near the Date Line and was above-average over Indonesia. Overall, the combined atmospheric and oceanic state remains ENSO-neutral."

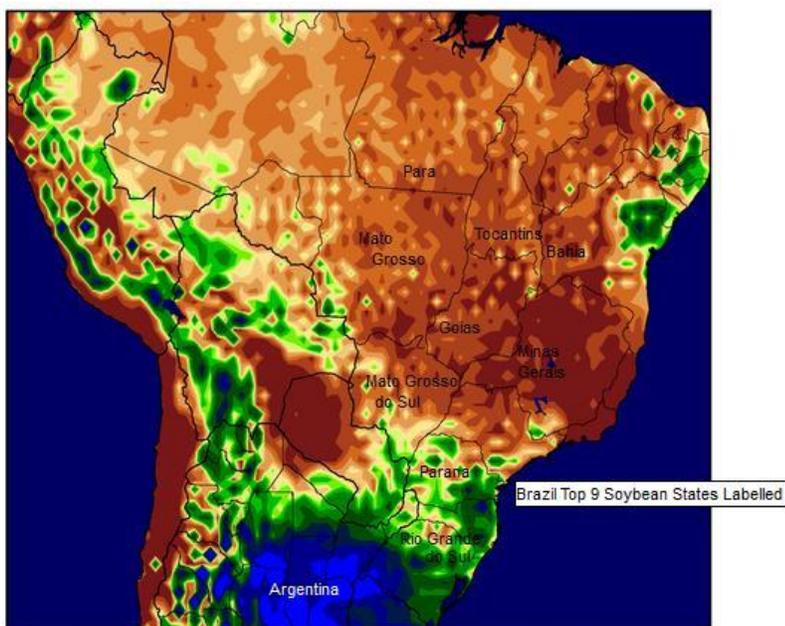
INTERNATIONAL WEATHER / CROP OUTLOOK –

- **Brazil** –A high pressure ridge dominates the Brazilian tropics, blocking showers and increasing moisture stress across the Mato Grosso region. By contrast, a stalled low pressure system is expected to bring excessively heavy rains to southern Brazil, boosting crop development. Conditions in Parana, the largest corn producing region, remain mixed but the near term outlook is hot and wet.
- **Argentina** – Corn and bean prospects have improved after recent heavy soaking rains, which have helped ease drought in Cordoba, one of the top growing region in Argentina.

Martell Crop Projections

7–day GFS Precipitation Forecast (pct of normal)

6 January 2015 – 12 January 2015



January 9 WEBINAR on FARM INCOME TAX CHANGES 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>

Jan. 14-15 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 (airport location)
- Jan. 15 – Burley Inn

Pre-registration required by Jan. 12 calling Kelly Olson at Idaho Barley Commission at 208.334.2090 or 208.409.9165, or emailing kolson@idahobarley.org

January 16 WEBINAR on 2015 U.S. Economic & Grain Market Outlook

at 8:30 a.m. MST, featuring Doug Robison, Senior Vice President for Northwest Farm Credit Western Idaho & Kelly Olson, Idaho Barley Commission. Log onto: <http://connect.cals.uidaho.edu/barley>, (**rescheduled from Jan 12**)

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/>

NORTH IDAHO- FARM BILL & CROP INSURANCE WORKSHOPS on Jan. 12-15 - 8:30 a.m. to noon, with breakfast

- **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

Pre-registration required by Jan. 10 calling Kelly Olson at Idaho Barley Commission at 208.334.2090 or 208.409.9165, or emailing kolson@idahobarley.org

SOUTH IDAHO – UI EXTENSION / FSA FARM BILL WORKSHOPS

- Preston - Jan 13 at 1 to 4 pm, Franklin County Extension Office
- Rexburg – Jan 14 at 9am to noon, Sugar-Salem High School
- Jerome – Jan 20 - location and time to be determined
- Carey – Jan 21 at 1 pm, Carey City Hall on Main Street
- Idaho Falls – Jan 22 at 1 to 4 pm, Bonneville County Extension Office
- Mud Lake – Jan 23 at 9 to 11 am, Senior Center
- Rigby – Jan 23 at 1 to 3 pm, Jefferson County Courthouse
- Malad – Jan 27 at 1 to 4 pm, Oneida County Fire Department
- Pocatello – Jan 28 at 9:30 am to noon, Bannock County Extension Office
- Soda Springs – Jan 29 at 9 to 11 am, Senior Citizen Center
- Driggs – Jan 29 at Driggs at 3 to 5 pm, Senior Center
- New Plymouth – Jan 30 at 10 am to 12:30 pm, Payette County Fairgrounds