

**Idaho Grain Market Report, February 5, 2015**

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 4, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>			
	<b>FEED</b>		<b>Milling</b>			
	<u>48 lbs or better</u>	<u>Open market malting</u>	<u>#1 SWW</u>	<u>#1 HRW 11.5% pro</u>	<u>#1 DNS 14% pro</u>	<u>#1 HWW</u>
Rexburg/ Ririe/ Roberts	\$5.00 - \$5.10	NQ	\$5.60 - \$5.65	\$5.20	\$6.62	\$5.80
			<u>Feed wheat</u>			
			\$3.65			
Idaho Falls	\$5.10	\$12.50	\$5.94 -6.00	\$5.53 – 5.64	\$6.31 – 6.70	\$5.53 -5.64
			<u>Feed wheat</u>			
			\$3.50			
Blackfoot / Pocatello	NQ	\$10.00	\$5.94	\$5.64	\$6.31	\$5.64
Grace / Soda Springs	\$5.10	NQ	\$5.80	\$5.27	\$5.66	\$5.27
			<u>Feed wheat</u>			
			\$4.00			
Burley / Rupert	\$5.20 – 5.75	\$12.50	\$5.80	\$4.77	\$6.11	\$5.27
Hazelton						
Twin Falls / Buhl / Wendell	\$6.00– 6.25		<u>Feed wheat</u>	NQ	NQ	
			\$3.60			
Nampa – Weiser	\$5.70	NQ	\$5.22 new crop	NQ	NQ	
Nez Perce / Craigmont	\$6.55		\$5.87	\$5.86	\$7.81	
Lewiston	\$7.05		\$6.12	\$6.11	\$8.06	
Moscow / Genesee	\$6.55 – 7.10		\$5.89 -6.02	\$5.88-6.07	\$7.83-7.97	\$6.07

**Prices at Selected Terminal Markets, cash prices FOB**

	<u>#2 Feed</u>	<u>Malting</u>	<u>#1 SWW</u>	<u>#1 HRW 11.5% Protein</u>	<u>#1 DNS 14% Protein</u>	<u>#1 HWW</u>
	<u>46 lbs. -- unit trains barge</u>					
Portland			Mar \$6.35 -6.54 ordinary pro Feb \$7.11 - 7.40 max 10.5 pro	\$6.42¾ - \$6.77¾	\$8.46 – 8.66	
Los Angeles	\$8.80–9.00			\$8.03(13%)		
Tulare	\$8.80– 9.00					
Ogden	\$5.80		\$6.10	\$5.70	\$6.21	\$5.70
Great Falls	\$4.75	\$12.00		\$5.35 –5.38 (12%)	\$5.92 – 6.65	
Minneapolis	\$5.73	\$14.06		\$5.82¾	\$7.01 - 7.46	

**Market trends this week**

**BARLEY** - Local feed barley prices were mostly steady to slightly higher this week. Open market malting barley prices remained stable this week. USDA reported barley export sales totaled 1000 MT to Taiwan last week while shipments totaled 200 MT, also to Taiwan.

**Barley competitor / buyer news** – Stats Canada reported Canadian barley stocks on December 31 were 20% below a year ago at 5.4 MMT.

**WHEAT** – Wheat prices were higher this week: local SWW prices ranged from 5 to 27 cents higher; HRW prices ranged from 6 to 25 cents higher; and DNS prices ranged from 12 to 27 cents higher. USDA reported wheat export sales last week were on the high end of trade expectations at 486.9 TMT (397.6 TMT in MY 14/15 and 89.3 TMT in MY 15/16), down 27% from the previous week but up 11% from the 4-week average. Wheat export shipments also showed improvement last week at 439.6 TMT, up 29% from the previous week and 35% from the 4-week average.

**Wheat competitor / buyer news** – Stats Canada reported this week that Canadian wheat stocks on December 31 totaled 24.8 MMT, down 13.5% from a year ago but still the second biggest December wheat stocks level in the past 15 years.

The average pre-report trade estimate was 25 MMT. Ukraine reported that 82% of their winter grain was in good/excellent condition. Saudi Arabia purchased 690 TMT of hard wheat this week, from multiple origins. Egypt also issued a snap tender, buying 300 TMT this week – 120 TMT from France and 180 TMT from Romania. Egypt is expected to be in the market for U.S. wheat in the near to mid term as a result of a \$100 million line of credit approved by the U.S. government.

**CORN** – USDA reported corn export sales were within trade expectations at 852 MMT (844.9 TMT for MY 14/15 and 7.1 TMT for MY 15/16), down 12% from the previous week and down 22% from the prior 4-week average. Corn export shipments last week were disappointing at 714.8 TMT, down 14% from the previous week but up 14% from the 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported a sizeable drop in ethanol production last week to 948,000 bbls per day – down 30,000 bbls or 3.1% from a week ago but still up 5.9% from a year ago. Corn used in ethanol last week totaled 99.5 million bu, just above the weekly pace of 99.2 million bu needed to achieve the USDA estimate of 5.15 billion bu. **Ethanol inventories continued to build to 20.99 million bbls, up more than 20% from a year ago.**

**Corn competitor / buyer news** – Informa raised their Argentine corn production estimate this week by 1 MMT to 23 MMT, while some analysts believe that favorable weather conditions could produce a 26 MMT crop. Informa also raised their Brazilian crop estimate by 550 TMT to 72.8 MMT. Brazil exported 3.195 MMT of corn in January compared to 3.4 MMT the previous month and 2.925 MMT for the same month a year ago. Brazil announced this week they were raising their domestic ethanol blending mandate from 25% to 27%. French feed wheat was reportedly being loaded out for Bangladesh this week, the first such feed wheat movement into this region since 2000.

#### Futures Market trends this week

**WHEAT** – Wheat futures saw choppy volatile trading this week, closely tied to the rise and fall in the dollar index and other outside macroeconomic forces. Improving moisture across key winter wheat regions in the U.S. and Black Sea along with weaker Paris wheat futures triggered a fresh round of fund selling on Monday. But in turn-around Tuesday fashion, wheat prices bounced sharply higher on a steady flow of short covering. A sharp decline in key HRW state crop ratings, particularly Kansas and Oklahoma, provided underlying support. Prices retreated again on Wednesday in choppy two-sided trading, driven mostly by lack of fresh supportive news. Wheat posted solid gains today (Thursday), on support from reports that Egypt may be in the market for U.S. wheat in the near future as a result of the US government approving a \$100 million line of credit for U.S. commodity purchases. This news, along with better than expected wheat export sales and improving technical indicators which show a pattern of higher lows, triggered aggressive short covering.

**Wheat market closes on Thursday, 2/05/15...**

	<b>Mar 2015</b>	<b>Weekly Summary</b>	<b>May 2015</b>	<b>Weekly Summary</b>	<b>July 2015</b>	<b>Weekly Summary</b>
Chicago SRW	\$5.25¾	Up \$0.23	\$5.27¼	Up \$0.20½	\$5.28½	Up \$0.17
KC HRW	\$5.64	Up \$0.23¾	\$5.66¼	Up \$0.23½	\$5.67	Up \$0.20¾
MGE DNS	\$5.79	Up \$0.22¼	\$5.83	Up \$0.21	\$5.89	Up \$0.20

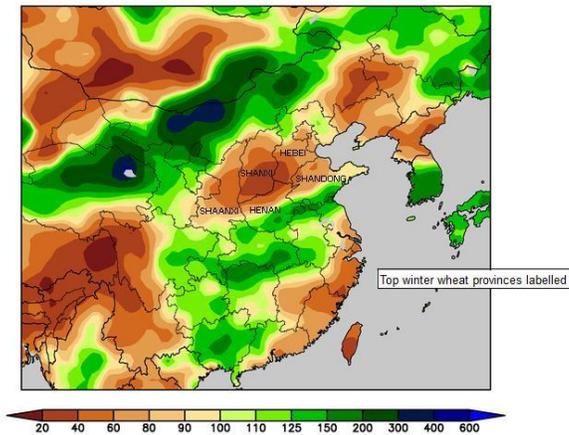
**CORN** – Corn saw similar volatile action tied to investor risk attitudes this week, largely driven by the dollar and energies. Corn finished fractionally lower on Monday after trading mostly higher for most of the session, pressured by spillover commodity weakness and disappointing export inspections. Prices rebounded sharply higher on Tuesday as a big jump in crude oil prices (up 24% on a single day) and a weaker dollar triggered technical buy-stops which accelerated gains. But corn could not sustain these gains as increased farmer selling and a rebound in the dollar pulled prices lower again on Wednesday. Corn finished modestly higher today (Thursday) in a mostly inside trading range as modest speculative fund buying was met by increased farmer selling. Higher energies and a lower dollar provided support. **Corn futures contract closes on Thursday, 2/05/15... Mar. 2015 contract at \$3.85¼, up \$0.15¼ for the week, May 2015 contract closed at \$3.93¼, up \$0.14¾ and the July 2015 contract closed at \$4.00½, up \$0.14¼ for the week.**

**CRUDE OIL** – Crude oil futures saw increased volatility in both directions this week – starting the week on a strong rally sparked by reports of a sharp drop in U.S. rig counts and news that refinery workers at 9 U.S. refineries were going on strike. A break in the dollar also added underlying support. But a bigger than expected increase in weekly crude oil inventories pulled prices lower again on Wednesday. DOE reported that crude oil inventories increased by 6.33 million bbls, compared to an expected increase of 3.25 million bbls. Distillates increased by 1.78 million bbls, while gasoline stocks increased by 2.335 million bbls. **Crude oil prices saw another impressive bounce higher today (Thursday) – up \$2.03 to close at \$50.48/bbl, up \$2.24/bbl for the week.**

## International Weather/Crop Outlook –

- China** – New crop winter wheat has experienced unfavorably dry conditions across the North China Plains in the October to December period, affecting fall planting, germination and now showing up in vegetative stress confirmed by satellite images depicted in the Martell weather map below. Subpar soil moisture is an issue in Henan and Shandong, that country's two largest wheat growing provinces. Rain is the near-term forecast for the southern wheat belt.

Martell Crop Projections  
92-day Precipitation Analysis  
Percent of normal through 31 December 2014



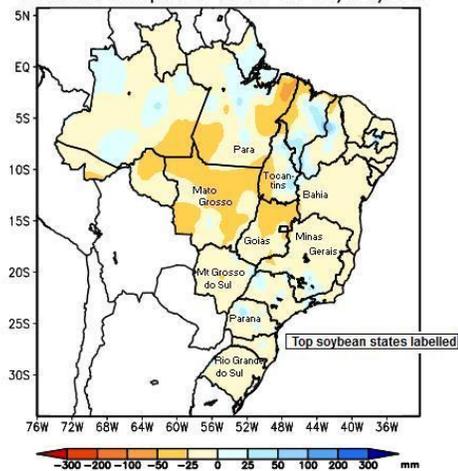
**Europe** – Winter grain conditions have been mostly favorable, but temperatures turned colder than normal this week, although crop damage is not expected. The near-by forecast calls for a continuation of colder than normal and mostly dry conditions. Southeastern Europe may see heavy rain in the next week.

**Black Sea** – After a mostly dry fall, conditions have turned stormy and wet in key winter grain regions of Ukraine and southern Russia.

**Brazil** – Drought persists across key corn and soybean growing regions in northern tropics, as depicted below. This time of year (mid summer) is usually the wettest period of the year. Mato Grosso is the number one soybean and number 2 corn growing state. The near-term outlook calls for scattered strong showers across the tropical region, but drier than normal persist in Central Mato Grosso.

February 2015 Month-to-Date Rainfall Anomalies (mm)

Anomalia Precipitacao Acum. ate 04/FEV/2015



Fontes de dados: CPTEC/MPE–INMET–FUNCEME/CE–AES/PA–EMPAR/RN  
ITEP/LAMEPE/PE–FEPAGRO/RS–CHESF–COMET/RJ–DHME/PI–CMRH/SE–SEMARH/AM  
SEMARH/BA–CEMIG/SIMGE/MG–SEAG/ES–SIMEPAR/PR–CLIMERH/SC–IAC/SP