

Idaho Grain Market Report, February 26, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 25, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley</u> <u>(Cwt.)</u> FEED	<u>MALTING</u>	<u>Wheat (bu.)</u> Milling			
	<u>48 lbs or</u> <u>better</u>	<u>Open</u> <u>market</u> <u>malting</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	NQ	\$5.40 – 5.65 Feed wheat \$3.50	\$4.90	\$6.44	\$5.50
Idaho Falls	\$5.00	\$12.50- 12.75	\$6.00 Feed wheat \$3.50	\$5.34	\$6.56	\$5.44
Blackfoot / Pocatello	NQ	\$10.00	\$6.00	\$5.34	\$6.56	\$5.44
Grace / Soda Springs	\$5.15	NQ	\$5.80	\$5.14	\$5.70	\$5.14
Burley / Rupert	\$5.00 – 5.50	\$12.50	\$5.60 – 5.85	\$4.55	\$6.05	\$5.75
Hazelton						
Twin Falls / Buhl /	\$6.00– 6.50		Feed wheat \$3.50-3.90	NQ	NQ	
Wendell						
Nampa – Weiser	\$5.75	NQ	\$5.32 new crop	NQ	NQ	
Nez Perce / Craigmont	\$6.55		\$5.83	\$5.71	\$7.65	
Lewiston	\$7.05		\$6.08	\$5.96	\$7.90	
Moscow / Genesee	\$6.55 – 7.10		\$5.85 -5.96	\$5.73-5.87	\$7.67-7.85	\$5.87

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			Mar \$6.37¼ -6.60 ordinary pro Feb \$6.97¼ - 7.60 max 10.5% pro	\$6.18¼ - \$6.33¼	\$8.32¼ – 8.52¼	
Los Angeles	\$8.70–8.90			\$7.78(13%)		
Tulare	\$8.70– 8.90					
Ogden	\$5.85		\$6.10	\$5.44	\$6.05	
Great Falls	\$5.00	\$12.00		\$5.15 –5.20 (12%)	\$6.14 – 6.55	
Minneapolis	\$5.73	NQ		\$5.70¾	\$7.16¼ - 7.56¼	

Market trends this week

BARLEY - Local feed barley prices ranged from minus 25 cents to plus 25 cents, but were mostly steady. Open market malting barley prices were steady this week. USDA reported there were no barley export shipments or sales last week.

WHEAT – Wheat prices were mostly lower this week: local SWW prices ranged were 9 to 34 cents lower; HRW prices were 13 to 29 cents lower; and DNS prices ranged from minus 32 cents to plus 33 cents. USDA reported wheat export sales were above trade expectations at 459 TMT (328.3 TMT for MY 2014/15 and 130.7 TMT for MY 2015/16), up 23% from the prior week but down 19% from the previous 4-week average. Cumulative wheat export sales have now reached 87.1% of the USDA projection for the year, compared to a 5-year average pace of 84.7%. Wheat export shipments totaled 493.9 TMT, up 26% from the prior week and up 28% from the previous 4-week average.

Wheat competitor / buyer news – Egypt was reported to have purchased 290 TMT of US HRW wheat this week.

CORN – Corn export sales last week were below trade expectations at 864 TMT (715.8 TMT for MY 2014//15 and 148.2 TMT for MY 15/16), down 23% from the previous week and rom the prior 4-week average. Cumulative corn export sales

have now reached 78.3% of the USDA projection for the year, compared to a 5-year average pace of 73.6%. Corn export inspections last week totaled 865.1 TMT, up 24% from the previous week and up 21% from the prior 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported a notable downtick in weekly ethanol production last week consistent with deteriorating processing margins to 947,000 bbls per day – down 17,000 bbls or 1.76% but still 4.64% above a year ago. Corn used in ethanol totaled 99.4 million bu, slipping below the weekly usage pace of 101.7 million bu needed to reach USDA’s annual usage projection of 5.25 billion bu. **U.S. ethanol inventories increased by 2.4% to 21.59 million bbls. Crude oil closed down \$2.82/bbl today (Thursday) to finish at \$48.17, down \$2.17/bbl for the week.**

Futures Market trends this week
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Macroeconomic influences – Equity markets calmed this week on news that Greece had been granted a 4-month extension on their bailout funding. Meanwhile in testimony before Congress this week, Federal Reserve Chairman Janet Yellen reinforced the idea that the Fed was in no hurry to raise U.S. interest rates, noting that this widely anticipated decision would be considered on a meeting by meeting basis. U.S. economic indicators continued to show solid growth this week, including better than expected durable goods orders (up 2.8% compared to expectations of 1.6%) and single family home sales.

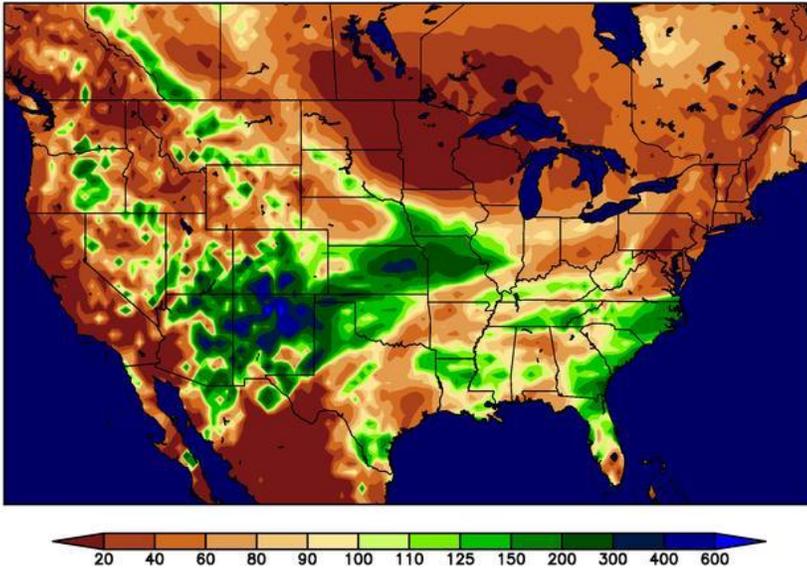
WHEAT –Wheat started the week mixed with ongoing pressure from a firm dollar offset by worries about historically cold temperatures across a wide swath of the winter wheat belt and better than expected wheat export inspections. News that Egypt had issued a fresh tender for US wheat and confirmation of 290 TMT of HRW purchase boosted Kansas City futures on Tuesday. Gains in the other wheat contracts remained limited by overall sluggish demand. Wheat prices continued to experience a downward spiral on Wednesday on ideas that beneficial snow forecast for the Plains and Midwest would provide protective cover against the cold temperatures moving through winter wheat regions. Wheat shrugged off pressure from a surging dollar to finish mixed to higher today (Thursday) on spillover support from stronger beans. **Wheat market closes on Thursday, 2/26/15...**

	<u>Mar 2015</u>	<u>Weekly Summary</u>	<u>May 2015</u>	<u>Weekly Summary</u>	<u>July 2015</u>	<u>Weekly Summary</u>
Chicago SRW	\$5.03 ³ / ₄	Down \$0.07	\$5.00 ¹ / ₂	Down \$0.06 ¹ / ₂	\$5.04 ³ / ₄	Down \$0.06 ³ / ₄
KC HRW	\$5.27 ¹ / ₄	Down \$0.06	\$5.32 ¹ / ₂	Down \$0.05 ³ / ₄	\$5.38 ¹ / ₄	Down \$0.07 ¹ / ₂
MGE DNS	\$5.51 ¹ / ₄	Down \$0.15 ¹ / ₂	\$5.56 ³ / ₄	Down \$0.10 ¹ / ₄	\$5.63 ¹ / ₂	Down \$0.08 ¹ / ₄

CORN – Corn prices remained under pressure this week – breaking below its recent trading range and technical support levels – under pressure from a fresh round of fund liquidations sparked by a firm dollar, weaker energies and lack of supportive news. Better than expected export inspections helped to limit losses on Monday. Corn continued to grind modestly lower on Tuesday and Wednesday under pressure from fund liquidation triggered by technical weakness. Corn finished modestly higher today (Thursday) on support from surging soybeans fueled by an ongoing Brazilian trucker strike. **Corn futures contract closes on Thursday, 2/26/15... Mar. 2015 contract at \$3.80, down \$0.05¹/₄ for the week, May 2015 contract closed at \$3.88¹/₂, down \$0.04¹/₂ and the July 2015 contract closed at \$3.96¹/₂, down \$0.04 for the week.**

CRUDE OIL – Crude oil futures saw increased volatility this week, tied closely to the wide fluctuations in value of the dollar. DOE reported that crude oil inventories increased by another 8.427 million bbls last week, compared to an expected increase of 4.0 million bbls. Distillates decreased by 2.711 million bbls and gasoline stocks fell by 3.118 million bbls. Crude oil supplies at Cushing, OK, the settlement point for WTI futures, increased by another 2.4 million bbls, reaching a 1 ½ year of 48 million bbls. **Crude oil prices fell sharply today (Thursday) pressured by a surge in the dollar to a nearly 11 year high – falling \$2.82 to close at \$48.17/bbl, down \$2.17/bbl for the week.**

Martell Crop Projections
7-day GFS Precipitation Forecast (pct of normal)
24 February 2015 – 2 March 2015



International Weather/Crop Outlook –

- **U.S. winter wheat** – Extremely cold temperatures swept across the Midwest and Eastern US this week but winterkill concerns remained low as protective snow cover was considered adequate in most winter wheat areas. Another blast of subzero air was expected by the weekend. Colder than normal temperatures were accompanied by below normal precipitation for much of the Upper Midwest and Eastern Corn Belt, as depicted in the precip map above. This region has seen 50 to 70% of average precipitation since November. Some key HRW areas, including southern KS and Oklahoma, is receiving beneficial snow and rain this week and more is expected in early March which will help ease dryness concerns as winter wheat emerges from dormancy.
- **Black Sea winter wheat** – Ukraine expected to see some chances for precipitation but Russia was mostly dry.
- **Chinese winter wheat** - Could pick up some rain ahead of the weekend but a mostly dry forecast.

March 6 WEBINAR (8:30 a.m.) on “Cereal Best Management Practices” presented by Dr. Juliet Marshall, UI Associate Professor of Cereal Agronomy & Pathology.

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