

Idaho Grain Market Report, March 5, 2015

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

	<u>Barley</u> <u>(Cwt.)</u> FEED <u>48 lbs or</u> <u>better</u>	<u>MALTING</u> <u>Open</u> <u>market</u> <u>malting</u>	<u>Wheat (bu.)</u> Milling <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	\$5.15	NQ	\$5.75 Feed wheat \$3.40	NQ	NQ	NQ
Idaho Falls	\$5.00	\$12.50- 12.75	\$5.66 - \$5.70 Feed wheat \$3.50	\$4.67- \$5.37	\$6.52 - 6.65	\$5.47 New crop \$5.66
Blackfoot / Pocatello	NQ	\$10.00	\$5.66	\$5.37	\$6.65	\$5.47
Grace / Soda Springs	\$5.15	NQ	\$5.65	\$5.15	\$6.01	\$5.15
Burley / Rupert	\$5.00 – 5.50	\$12.50	\$5.60 – 5.80	\$4.57	\$6.15	\$5.17
Hazelton						
Twin Falls / Buhl /	\$6.00– 6.50		Feed wheat \$3.45-3.90	NQ	NQ	
Wendell			\$6.24	NQ	NQ	
Nampa – Weiser	\$5.88	NQ	New crop \$5.17			
Nez Perce / Craigmont	\$6.55		\$5.83	\$5.77	\$8.05	
Lewiston	\$7.05		\$6.08	\$6.02	\$8.30	
Moscow / Genesee	\$6.55 – 7.10		\$5.85 -6.01	\$5.79-5.91	\$8.07-8.21	\$5.98

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			\$6.25 -6.36 ordinar pro \$6.96 - 7.35 max 10.5% pro new crop \$5.87¾- 6.27¾	\$6.27¼ - \$6.42¼ New crop \$6.21¼-6.41¼	\$8.25¾ – 8.90¾ New crop \$7.08¼ 7.28¼	
Los Angeles	\$8.70–8.90			\$7.73 (13%)		
Tulare	\$8.70– 8.90					
Ogden	\$5.85		\$6.00	\$5.45	\$6.35	\$5.50
Great Falls	\$5.00	\$12.00		\$5.24 –5.29 (12%)	\$6.17 – 6.69	
Minneapolis	\$5.62	NQ		\$5.67¼	\$8.10¾	

Market trends this week

BARLEY - Local feed barley prices were steady to 15 cents higher. Open market malting barley prices were steady this week. USDA reported barley export sales of 1.3 TMT to Canada and Japan and no barley export shipments last week.

WHEAT – Wheat prices were mixed this week: local SWW prices ranged from minus 34 cents to plus 5 cents; HRW prices were 1 to 6 cents higher; and DNS prices ranged from 9 to 40 cents higher. USDA reported wheat export sales were within trade expectations at 469.6 TMT, up 43% from the prior week and 34% from the previous 4-week average. Wheat export shipments last week were 485.6 TMT, down 2% from the prior week but up 14% from the previous 4-week average.

Wheat competitor / buyer news – Ukraine is projecting their wheat crop could decline more than 10% this year to 21-22 MMT compared to 24 MMT last year, due to lower expected yields resulting from unfavorable winter wheat conditions. On the other hand, Russia is now projecting their winter wheat crop will emerge from dormancy in better than expected

condition. They are projecting their total grain crop at 100 MMT which may open the door for wheat exports to resume later in the season if crop conditions look favorable. India's wheat crop is now projected at 94 MMT compared to an earlier projection of 100 MMT. Egypt purchased 110 TMT of wheat from Russia and Ukraine this week.

CORN – Corn export sales last week were on the high end of trade expectations at 986.8 TMT (828.1 TMT for MY 2014//15 and 158.7 TMT for MY 15/16), up 16% from the previous week but down 5% from the prior 4-week average. Corn export inspections last week reached a marketing year high of 1.378 MMT, up 59% from the previous week and up 91% from the prior 4-week average, signaling an expected shift in export loadings from soybeans to corn.

Ethanol corn usage – DOE's Energy Information Agency reported another notable downtick in weekly ethanol production last week to 931,000 bbls per day – down 16,000 bbls or 1.69% but still 4.14% above a year ago. Corn used in ethanol totaled 97.7 million bu, slipping below the weekly usage pace of 101.8 million bu needed to reach USDA's annual usage projection of 5.25 billion bu. It is important to note, however, that corn used for ethanol is up 5% compared to a year ago which is a strong demand signal. U.S. ethanol inventories fell by 0.3% to 21.5 million bbls.

Corn competitor / buyer news – Argentine farmers launched a three-day strike suspending crop sales to protest their government's export tax and quota policies. Informa cut their Brazilian corn production estimate this week by 450 TMT to 72.4 MMT (compared to USDA estimate of 75 MMT). They raised their Argentine corn production estimate by 500 TMT to 23.5 MMT (USDA est. of 23 MMT). U.S. sold 140 TMT of corn to Saudi Arabia this week.

Futures Market trends this week

WHEAT – Wheat started the week with double digit losses sparked by pressure from a surging US dollar index and lack of any notable weather concerns with Northern Hemisphere winter wheat crops. Wheat prices rebounded higher on Tuesday with support from short covering on unconfirmed rumors that China may be in the market for U.S. HRS wheat and strong HRS basis at export positions on the West Coast. But gains were shortlived, as wheat prices reversed lower on Wednesday and finished double digits lower today (Thursday) on a combination of negative fundamentals and technical signals. The dollar index posted a fresh 11 1/3 year high which provided much of the pressure. **Wheat market closes on Thursday, 3/05/15. Please note shift to May as nearby contract...**

	May 2015	Weekly Summary	July 2015	Weekly Summary	Sept 2015	Weekly Summary
Chicago SRW	\$4.80½	Down \$0.32½	\$4.87¾	Down \$0.29	\$4.98¾	Down \$0.26¼
KC HRW	\$5.17	Down \$0.18½	\$5.23¾	Down \$0.22¼	\$5.36½	Down \$0.22¼
MGE DNS	\$5.58½	Down \$0.08	\$5.64½	Down \$0.08	\$5.71¼	Down \$0.08

CORN – Corn prices chopped in a narrow trading range for most of the week with pressure from deliveries against the March futures contract, ample nearby stocks situation and surging dollar offset by more bullish longer term outlook on anticipation of smaller 2015 corn crops in the U.S., Brazil and Black Sea region. Corn prices were lifted modestly higher today (Thursday) in narrow two-sided action with support from strong domestic basis and solid weekly export sales. **Corn futures contract closes on Thursday, 3/05/15... May 2015 contract at \$3.90½, down \$0.02¾ for the week, July 2015 contract closed at \$3.98¾, down \$0.03 and the Sept. 2015 contract closed at \$4.05½, down \$0.02¾ for the week.**

CRUDE OIL – A global oil supply glut kept the lid on prices this week. DOE reported that crude oil inventories increased by another 10.3 million bbls last week, compared to an expected increase of 4.0 million bbls. Distillates decreased by 1.7 million bbls compared to an expected decline of 2.0 million bbls and gasoline stocks increased by 46,000 bbls, compared to an expected decline of 1.75 million bbls. **Crude oil prices drifted lower today (Thursday) pressured by a surging U.S. dollar – down \$0.77 to close at \$50.76/bbl, but up \$1.00/bbl for the week.**

Weather/Crop Outlook – More subzero temperatures this week across key HRW and SRW areas, but most crops were believed to be protected by snow cover. Most winter wheat areas across the Northern Hemisphere are experiencing favorable conditions as crops emerge from dormancy and begin spring growth.

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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