

Idaho Grain Market Report, March 12, 2015

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 11, 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	\$5.75	NQ	NQ	NQ
			Feed wheat \$3.40			
Idaho Falls	\$5.00	\$12.50- 12.75	\$5.85 - \$5.90	\$5.10- \$5.52	\$6.55 – 7.01	\$5.40 New crop \$5.62
			Feed wheat \$3.50			\$5.62
Blackfoot / Pocatello	NQ	\$10.00	\$5.85	\$5.52	\$6.55	\$5.62
Grace / Soda Springs	\$5.20	NQ	\$5.65	\$5.35	\$6.05	\$5.15
			Feed wheat \$3.60			
Burley / Rupert	\$5.00 – 5.50	\$12.50	\$5.70 – 5.76	\$4.77	\$6.04	\$5.37
Hazelton						
Twin Falls / Buhl /	\$6.00– 6.25		Feed wheat \$3.30-3.75	NQ	NQ	
Wendell						
Nampa – Weiser	\$5.94	NQ	\$6.30	NQ	NQ	
			New crop \$5.31			
Nez Perce / Craigmont	\$6.55		\$5.80	\$5.90	\$8.06	
Lewiston	\$7.05		\$6.05	\$6.15	\$8.31	
Moscow / Genesee	\$6.55 – 6.85		\$5.82 -5.99	\$5.92-6.06	\$8.08-8.22	\$6.06

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 -6.39 ordinar pro \$6.99 - 7.27 max 10.5% pro	\$6.40¼ - \$6.70¼	\$8.27 – 8.92	
Los Angeles	\$8.70–8.90			\$7.88 (13%)		
Tulare	\$8.70– 8.90					
Ogden	\$5.90		\$6.00	\$5.60	\$6.45	\$5.70
Great Falls	\$5.00	\$12.00		\$5.45 –5.54 (12%)	\$6.21 – 6.71	
Minneapolis	\$5.62	NQ		\$5.80¼	\$7.22 – 7.67	

Market trends this week

BARLEY - Local feed barley prices ranged from minus 25 cents to plus 5 cents, but were mostly steady this week. USDA reported barley export sales of 3 TMT to Japan and barley export shipments of 200 MT to Taiwan last week.

USDA's BARLEY S&D Projections for MY 2014/15 – Mar. 10, 2015 - USDA made only minor tweaks to the domestic barley balance sheet: they cut barley imports by 2 million bu to 23 million bu and raised U.S. barley exports by 2 million bu to 12 million bu, resulting in a 4 million bu cut in U.S. barley ending stocks to 73 million bu. The average U.S. barley farm-gate price estimate was raised on both ends of the range to \$5.20 – 5.50/bu. **World barley production was increased by .5 MMT this month to 140.7 MMT, down 4% from a year ago.**

Barley competitor / buyer news – USDA raised their Australian barley production estimate by .35 MMT this month to 7.95 MMT, down 18% from the previous year. Australian barley exports were raised by .5 MMT to 5.0 MMT and European barley exports were raised by .8 MMT to 7.5 MMT.

WHEAT – Wheat prices were mixed this week: local SWW prices ranged from minus 3 cents to plus 20 cents; HRW prices ranged from 13 to 43 cents higher; and DNS prices ranged from minus 11 cents to plus 36 cents. USDA reported wheat export sales were above trade expectations last week at 493.2 TMT (445.2 TMT for MY 2014//15 and 48 TMT for MY 15/16), down 5% from the prior week but up 21% from the previous 4-week average. Wheat export shipments last week were 430.5 TMT, down 11% from the prior week and 1% from the previous 4-week average.

USDA's WHEAT S&D Projections for MY 2014/15 - Mar. 10, 2015 – This report was neutral to mildly supportive for wheat as U.S. **ending stocks were cut by 1 million bu to 691 million** (due to larger seed usage), which was **BELOW the average pre-report trade estimate of 699 million bu**. The average farm-gate price for U.S. wheat was further tightened to a range of \$5.90-\$6.10/bu. **World wheat production was cut by .27 MMT this month to 724.8 MMT**, up 1% from a year ago. A small production cut was noted for India. World wheat ending stocks were cut slightly this month to 197.7 MMT, up 5% from the previous year.

Wheat competitor / buyer news – The EU Commission is projecting their 2015 soft wheat crop at 141 MMT, down nearly 7 MMT from the current marketing year and wheat exports at 27.1 MMT, down 3.9 MMT from the current year. French winter wheat is pegged at 91% good/excellent as the crop emerges from dormancy, compared to 74% for the same period a year ago. French wheat exports outside of the EU region this marketing year are pegged at 10.5 MMT, up 15% from the previous year. Ukrainian spring grain acres may shrink by 20-25% because of a lack of money. UkrAgroConsult is projecting Ukrainian wheat exports will total 10.8 MMT (USDA 11 MMT) and corn exports 17.2 MMT (USDA 18 MMT) in the current marketing year.

CORN – Corn export sales last week were below trade expectations at 514.4 TMT (418 TMT for MY 2014//15 and 96.4 TMT for MY 15/16), down 50% from the previous week and 52% from the prior 4-week average. Corn export inspections last week remained strong at 1.165 MMT, down 16% from the previous week but up 31% from the prior 4-week average.

2015 corn acreage estimates – The Allendale survey has pegged 2015 corn planted acres at 88.5 million, the smallest in 5 years and down 0.5 million acres from the USDA Ag Outlook projection last month of 89.0 million.

Ethanol corn usage – DOE's Energy Information Agency reported a rebound in weekly ethanol production last week to 944,000 bbls per day – up 13,000 bbls or 1.4% above last week and 8.6% above a year ago. Corn used in ethanol totaled 99.1 million bu, still slightly below the weekly usage pace of 100 million bu needed to reach USDA's revised annual usage projection of 5.2 billion bu. U.S. ethanol inventories fell by 1.7% last week to 21.2 million bbls.

USDA's CORN S&D Projections for MY 2014/15 – Mar. 10, 2015 – This report was mildly supportive for corn as **ending stocks were cut more than expected**. USDA increased domestic feed usage by 50 million bu to 5.3 billion bu, cut domestic food, seed and industrial (ethanol) use by 50 million bu to 6.595 billion bu, increased U.S. corn exports by 50 million bu to 1.8 billion bu, resulting in a 50 million bu **cut to U.S. corn ending stocks to 1.777 billion bu**. This was **BELOW the average pre-report trade estimate of 1.826 billion bu**. The corn farm-gate price estimate was further tightened to a range of \$3.50-3.90/bu. **World corn production** was cut by 1.6 MMT this month to 989.7 MMT, due to lower South African production, and is slightly above (+0.2%) last year. World corn ending stocks were cut by 4.4 MMT to 185.3 MMT, up 8% from last year.

Corn competitor / buyer news – USDA raised their Argentine corn production estimate this month by .5 MMT to 23.5 MMT and raised their corn exports by 1 MMT to 14.5 MMT. USDA lowered South African production by 2 MMT to 11.5 MMT and cut their exports by 1.5 MMT to 1.0 MMT. USDA also raised their Brazilian corn export estimate this month by 1 MMT to 20.5 MMT, which is down from 21 MMT in the previous year.

Futures Market trends this week

WHEAT – Wheat posted solid gains to begin the week on support from aggressive fund short covering triggered by extremely oversold technicals and rumors that Brazil might be shopping for US HRW wheat (rumors were unconfirmed). Wheat continued to post gains on Tuesday and Wednesday with support from a mildly supportive monthly S&D report and projections of lower EU soft wheat production in 2015. Wheat finished solidly higher today (Thursday) on continued short covering sparked by a technically oversold condition, better than expected wheat export sales and dry weather concerns across the winter wheat belt. **Wheat market closes on Thursday, 3/12/15...**

	May 2015	Weekly Summary	July 2015	Weekly Summary	Sept 2015	Weekly Summary
Chicago SRW	\$5.07 ¹ / ₄	Up \$0.08 ¹ / ₄	\$5.09 ¹ / ₂	Up \$0.07 ³ / ₄	\$5.18 ¹ / ₂	Up \$0.07 ¹ / ₂
KC HRW	\$5.46 ¹ / ₂	Up \$0.05 ³ / ₄	\$5.50 ¹ / ₂	Up \$0.05 ³ / ₄	\$5.61 ¹ / ₂	Up \$0.05 ³ / ₄
MGE DNS	\$5.69 ¹ / ₂	Up \$0.02 ¹ / ₂	\$5.75	Up \$0.02 ¹ / ₄	\$5.82 ³ / ₄	Up \$0.02 ¹ / ₂

CORN – Corn prices finished modestly higher on Monday in mostly light volume consolidation trading ahead of Tuesday's monthly S&D report. Stronger than expected weekly export shipments added to the positive tone. Corn prices returned to a mostly range-bound sideways trading pattern on Tuesday and Wednesday trapped between pressure from negative energies and a surging dollar and support from lower expected 2015 acreage and carryover stocks. Corn prices settled moderately lower today (Thursday) on pressure from disappointing export sales. **Corn futures contract closes on Thursday, 3/12/15... May 2015 contract at \$3.88¹/₂, up \$0.02¹/₂ for the week, July 2015 contract closed at \$3.95³/₄, up \$0.02³/₄ and the Sept. 2015 contract closed at \$4.03, up \$0.01³/₄ for the week.**

CRUDE OIL – The U.S. Energy Information Agency (EIA) released their short-term energy outlook this week, projecting U.S. crude oil production averaging 9.3 million bbls per day in 2015 (averaged a near record 9.4 million bbls/day in Feb. despite lower rig count) and 9.5 million bbls/day in 2016. EIA projected Brent crude oil prices would average \$59/bbl in 2015 and \$75/bbl in 2016, with West Texas Intermediate (WTI) crude averaging \$7/bbl and \$5/bbl, respectively, below Brent crude prices. DOE reported that crude oil inventories increased by 4.5 million bbls last week, in line with trade expectations. Distillates increased by 2.53 million bbls and gasoline stocks fell by 187,000 bbls. Crude oil inventories at Cushing, OK increased by 2.322 million bbls last week. **Crude oil prices settled \$1.12 lower today (Thursday) to close at \$47.05/bbl on pressure from large inventories, surging dollar and mixed economic indicators – down \$2.56/bbl for the week.**

Weather/Crop Outlook –

U.S. winter wheat – A warm ridge of high pressure is dominating the western two-thirds of the country, replacing a persistent cold trough that had settled over the Central U.S. for most of February. This shift has ushered in above normal temperatures and mostly dry conditions and is causing rapid snow melt and runoff. Dryness concerns are mounting as winter wheat emerges from dormancy and needs more moisture for development. The 6-10 and 8-14 day outlooks show better chances of moisture across the Plains. Scattered showers have moved in the PNW with moderately heavy rainfalls expected to spread inland across the Northwest in the 6-10 day outlook.

Black Sea region – Rain showers are moving through southern Ukraine this week and are expected to spread into northern areas and Southern Russia in the next few days.

China – Winter wheat belt has seen some scattered showers but main producing areas have been trending drier.

South America – Conditions have turned mostly drier, favoring soybean and corn harvest and second crop corn planting.

RECORDED WEBINAR on Cereal Best Management Practices presented by Dr. Juliet Marshall, UI Associate Professor of Cereal Agronomy & Pathology on March 6, 2015. Link can be found at <http://connect.cals.uidaho.edu/p6h8p1vspwm/>

Join us for our next WEBINAR on 2015 Weather and Water Outlook on April 7 at 8:30 a.m. MDT, featuring NWS Senios Hydrologist Troy Lindquist.