

Idaho Grain Market Report, April 2, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 1, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley</u> <u>(Cwt.)</u> <u>FEED</u> <u>48 lbs or</u> <u>better</u>	<u>MALTING</u> <u>Open</u> <u>market</u> <u>malting</u>	<u>Wheat (bu.)</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	4.75 -\$4.90		\$5.80 – 5.95	\$5.52	\$6.50	\$5.7- 5.92
Idaho Falls	\$4.90	\$12.50- 12.75	\$5.95-6.14	\$5.36- \$5.85	\$6.18 –7.16	\$5.80-5.95
Blackfoot / Pocatello	NQ	\$10.00	\$5.95	\$5.85	\$6.94	\$5.95
Grace / Soda Springs	\$4.85	NQ	\$5.93	\$5.37	\$6.30	\$5.37
Burley / Rupert	\$5.00	\$12.50	5.85 – 5.95	\$5.01	\$6.45	\$5.56
Hazelton						
Twin Falls / Buhl / Wendell	\$5.95– 6.25		<u>Feed wheat</u> \$3.60	NQ	NQ	
Nampa – Weiser	\$5.79	NQ	New crop \$5.50	NQ	NQ	
Nez Perce / Craigmont	\$6.05		\$5.95	\$6.03	\$8.20	
Lewiston	\$6.55		\$6.20	\$6.28	\$8.45	
Moscow / Genesee	\$6.05 – 6.60		\$5.97 -6.14	\$6.05-6.24	\$8.22-8.36	\$6.24

Prices at Selected Terminal Markets, cash prices FOB

	<u>#2 Feed</u> <u>46 lbs. --</u> <u>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			Ord protein \$6.68½ - 6.82 new crop \$6.28- 6.43 max 10.5% pro \$6.98½-7.22 new crop \$6.28- 6.46	\$6.72 -\$6.92 new crop \$6.66¼-6.76¼	\$8.50½ –9.15½ new crop \$7.26¾ 7.51¾	
Los Angeles	\$8.50–8.70			\$8.22 (13%)		
Tulare	\$8.50– 8.70					
Ogden	\$5.60		\$6.30	\$5.75	\$6.70	\$5.80
Great Falls	\$4.50	\$12.00		\$5.65 –5.69 (12%)	\$6.27 – 6.87	
Minneapolis	\$5.94	NQ		\$6.12	\$7.70½ -8.00½	

Market trends this week

BARLEY - Local feed barley prices ranged from minus 25 cents (north Idaho) to plus 15 cents, but mostly steady. Open market malting barley prices remained steady his week. USDA reported barley export sales last week totaled 600 MT to Taiwan (500 MT in MY 2014/15 and 100 MT in MY 2015/16). Barley export shipments were 1.3 TMT to Taiwan.

March 31, 2015 USDA Acreage Prospective Planting Report - BARLEY – USDA is projecting 2015 barley planted acres at 3.258 million, up 10% from last year. **Idaho barley acres are projected at 580,000, up 4% from last year.**

March 1 USDA Quarterly Stocks – BARLEY – USDA has pegged barley stocks at 118 million bu, down 3% from a year ago. The December 2014 – February 2015 indicated disappearance totaled 38.2 million bu, down 20% from the same period a year ago. **Idaho barley stocks were pegged at 23.7 million bu, down 17% from a year ago.**

WHEAT – Wheat prices were mostly higher this week: local SWS prices ranged from 3 to 27 cents higher; HRW prices ranged from minus 5 cents to plus 42 cents; and DNS prices ranged from 5 to 54 cents higher. USDA reported wheat export sales were on the low end of trade expectations last week at 293.1 TMT (162.1 TMT for MY 2014/15 and 131 TMT for MY 2015/16), up 58% from the prior week but down 54% from the previous 4-week average. Wheat export shipments also were lackluster at 338.2 TMT, down 32% from the prior week and 29% from the previous 4-week average.

March 31, 2015 USDA Acreage Prospective Planting Report - WHEAT– USDA is projecting 2015 all wheat planted acres at 55.4 million, down 3% from 2014, including 40.8 million acres winter wheat (29.6 million HRW, 7.75 million SRW and 3.43 million SW) and 13.0 million other spring wheat. The average pre-report trade estimate was **55.8 million acres**. **Idaho wheat acres are projected at 1.327 million, up 4% from last year.**

March 1 USDA Quarterly Stocks – WHEAT - USDA has pegged wheat stocks at 1.12 billion bu, up 6% from a year ago. The December 2014 – February 2015 indicated disappearance totaled 405 million bu, down 3% from the same period a year ago. **The average trade estimate was 1.141 billion bu, implying usage just over the 5-year average for the 3rd quarter.** Idaho wheat stocks were pegged at 35.497 million bu, up 16% from a year ago.

Wheat competitor / buyer news –The European Commission is projecting EU wheat stocks in the new marketing year 2015/16 will total 16.2 MMT, down 2.5 MMT from an earlier estimate due to stronger than expected feed usage. Exports are pegged at 27.1 MMT, down from this year’s record 31.5 MMT. The EU granted wheat export licences for 1.1 MMT this week, bringing their cumulative wheat exports to 25.5 MMT, compared to 23.3 MMT for the same period a year ago. Speculation this week that Russia likely WILL NOT extend its current wheat export tax beyond its expiration date of June 30. India reports their wheat harvest has fallen short of expectations due to untimely heavy rains at harvest time, prompting that country to import 80 TMT of wheat from Australia this week.

CORN – Corn export sales last week were on the low end of trade expectations at 431.7 TMT (406.6 TMT for MY 2014/15 and 25.1 TMT for MY 15/16), down 7% from the previous week and 26% from the prior 4-week average. Corn export inspections also were disappointing at 683.4 TMT, down 36% from the previous week and 37% from the prior 4-week average.

March 31, 2015 USDA Acreage Prospective Planting Report - CORN– USDA is projecting 2015 corn planted acres at 89.2 million, down 2% from last year, compared to an **average trade estimates of 88.86 million**. If realized, this will be the lowest corn acres since 2010.

March 1 USDA Quarterly Stocks – CORN - USDA has pegged corn stocks at 7.74 billion bu, up 11% from a year ago. The December 2014 – February 2015 indicated disappearance totaled 3.47 billion bu, up slightly from the same period a year ago. **The average trade estimate was 7.609 billion bu.**

Ethanol corn usage – DOE’s Energy Information Agency reported another uptick in weekly ethanol production last week to 952,000 bbls per day - down 1,000 bbls or 0.1% last week but 3.25% above a year ago. Corn used in ethanol totaled 99.96 million bu. On appositive note, U.S. ethanol inventories decreased by 3.6% last week to 20.55 million bbls, but remained nearly 30% above a year ago.

Corn competitor / buyer news – Taiwan bought 65 TMT of U.S. corn this week.

Futures Market trends this week

WHEAT – Volatility was high this week, with dry weather in the Western and Central Plains and wide swings in the dollar index driving market sentiment in both directions... Wheat futures posted double digit gains on Monday – posting the biggest one day gains in 4 months - on active short covering sparked by disappointing weekend rains across much of the Western and Central winter wheat belt. Prices slumped on Tuesday on USDA confirmation of ample stocks and heavy spillover pressure from sharply lower corn. Prices rebounded on Wednesday on renewed short covering sparked by dry hot conditions across the Central and Western Plains and a lower dollar. Wheat finished today (Thursday) on **Wheat market closes on Thursday, 4/02/15...**

	<u>May 2015</u>	<u>Weekly Summary</u>	<u>July 2015</u>	<u>Weekly Summary</u>	<u>Sept 2015</u>	<u>Weekly Summary</u>
Chicago SRW	\$4.99½	Down \$0.10	\$5.04¾	Down \$0.12½	\$5.14¼	Down \$0.12¼
KC HRW	\$5.43	Down \$0.11	\$5.48¾	Down \$0.12¼	\$5.60	Down \$0.12¼
MGE DNS	\$5.63¼	Down \$0.05¼	\$5.69	Down \$0.04¾	\$5.76¾	Down \$0.04¾

CORN – Corn prices started the week with modest gains in light trading ahead of Tuesday's key 2015 acreage and quarterly stocks reports. Weak export inspections and a higher dollar tempered the gains. Corn prices fell sharply on Tuesday in reaction to bearish USDA prospective planting and quarterly stocks reports which showed higher than expected acreage and March 1 stocks. Corn moved modestly higher on Wednesday in choppy trading on mostly spillover support. Corn posted today (Thursday) **Corn futures contract closes on Thursday, 4/02/15... May 2015 contract at \$3.91¼, up \$0.06¼ for the week, July 2015 contract closed at \$3.99¼, up \$0.06½ and the Sept. 2015 contract closed at \$4.06¼, up \$0.06½ for the week.**

CRUDE OIL – More volatility in crude oil trading this week with continuing pressure from weaker economic indicators in China and a world supply glut, which could be exacerbated if an Iranian nuclear deal is struck which would allow for economic sanctions to be lifted and Iranian oil exports to resume. DOE reported that crude oil inventories increased by 4.766 million bbls, compared to an expected increase of 4.5 million bbls. Distillates increased by 1.325 million bbls while gasoline stocks fell by another 4.258 million bbls. **Crude oil prices tumbled today (Thursday) – down \$0.95 to close at \$49.14/bbl – up \$0.27/bbl for the week.**

Weather/Crop Outlook –

- **El Nino signal still in play** – Both U.S. and Australian meteorologists give El Nino a 50-60% chance of forming by this summer. If realized, El Nino could be a rain-maker for the U.S. heartland, but would likely mean adversely dry conditions intensify across the Western and Pacific Northwest.
- **U.S. – PNW** – Cooler temperatures moved into the region this week, along with scattered showers and snow across the Northern Rockies. Spring grain planting is running about three weeks ahead of normal. **Great Plains** –Southern areas continue to see beneficial moisture, but for the most part the Western and Central Plains have missed most of the recent rainfall and remain unfavorably dry. There are better chances for moisture developing late next week according to some weather maps. Crop conditions continue to deteriorate in Kansas (down 2% to 39% good/excellent) and Nebraska (34% good/excellent vs. 62% a month ago). **Northern Plains** –Cooler air lingers and soil moisture remains limited in some areas. **Corn Belt** – Southern belt continues to see wet conditions which has delayed planting and field work but the Central and Upper Midwest regions are warm and dry, with near record temperatures in many areas this week. The combination of warm temperatures, low humidity and high winds is rapidly depleting soil moisture across a wide swath of the Winter Wheat and Corn Belts.
- **Europe** – Widespread rains across the northwestern and southern production regions have boosted soil moisture for winter grains and newly planted spring grains. A drying trend in Germany may reduce soil moisture for rapidly developing winter grains.
- **Black Sea region** – Ukraine and Southern Russia are experiencing mostly ideal growing conditions, with warmer temps and good rain coverage the past couple of weeks. More beneficial rain is in the nearby outlook. Northern Russia winter wheat growing areas remain unfavorably dry.
- **China** – The main winter wheat belt continues to benefit from unseasonably mild conditions and frequent rain showers.
- **Northern Africa** – Rain lingered in Morocco, sustaining excellent prospects for reproductive winter grains. Algeria and Tunisia continue to see beneficial showers which have boosted winter wheat and barley crops after a dry fall which caused some concern about stand establishment.
- **South America** – Brazil continues to see locally heavy rainfall, which is maintaining overall favorable conditions for corn. Northern Argentina has seen good showers for late season summer crop development but pockets of dryness are a concern in Buenos Aires region.
- **Australia** – Winter small grain planting should begin in April, however both New South Wales and Southern Australia have experienced very dry conditions in March, leading to a very slow planting pace. By contrast, Western Australia has been very wet, promoting very favorable planting conditions in that country's leading wheat and barley producing state.

GRAIN WEBINARS

JOIN US for our next live WEBINAR on April 7 at 8:30 a.m. MDT on 2015 Weather and Water Outlook, featuring NWS Senior Hydrologist Troy Lindquist.

University of Idaho Pest/Agronomic Alert – from Dr. Juliet Marshall, UI cereal pathologist/agronomist, Idaho Falls: Southern Idaho winter wheat and winter barley crops have broken dormancy very early - I'd say we are 3 - 4 weeks ahead of "average" and almost all of our spring wheat is planted.

About 3 weeks ago, we started having symptoms of BYD showing in winter cereal fields. Two times in the last two weeks I have taken a tour through the southern part of the state. In most areas, 85-95% of our winter wheat fields are showing 95-100% incidence. Some are severe, and growers are removing (spraying and plowing) some of these fields and replanting spring grain or dry beans. Growth stages are tillering to jointing.

Contributing factors include unusual rains last August, high populations of aphids in the fall (especially in the corn that was green chopped), a long fall, and we have had one of the warmest winters / earliest springs on record. Full rates of insecticidal seed treatments have been ineffective due to a long warm fall and high aphid populations.

Dr. Arash Rashed and I have been wiring very hard to obtain ELISA and qPCR confirmation before sending out too many alerts to the growers. I did send an alert March 16th, but didn't want to do another until we had proof positive - double - that what we were seeing was totally accurate. It is so widespread that even I was questioning myself. It is EVERYWHERE - from Parma to Idaho Falls and Ririe.

We also have severe drought conditions, which makes mitigation more difficult and damage potentially more severe. Many growers will not be able to apply irrigation for another 1-3 weeks.

We have virus in wheat, barley, timothy and field borders, roadsides, ditch banks, and farmyard grasses. I expect greater than 30% losses, in some fields greater than 60% losses. Winter malt barley fields will not make malt. Many winter wheat fields will have to go for feed.

Please use the University of Idaho CIS bulletin as a reference: <http://www.cals.uidaho.edu/edcomm/pdf/CIS/CIS1210.pdf>