

Idaho Grain Market Report, June 4, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, June 3, 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> <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	\$4.85		\$5.60			\$5.30
Idaho Falls	\$5.00	\$12.00-12.50	\$5.88-5.86	\$4.30 – 5.60	\$6.27-6.71	\$4.30 -5.65
Blackfoot / Pocatello	NQ	\$10.00	\$5.86	\$5.60	\$6.71	\$5.65
Grace / Soda Springs	\$5.10	NQ	\$5.77	\$5.05	\$6.03	
Burley / Rupert	\$4.75 – 5.00	\$12.50	\$5.65-5.70	\$4.60	\$6.03	\$5.10
Hazelton						
Twin Falls / Buhl / Wendell	\$5.80– 6.00		<u>Feed wheat</u> \$3.50-3.60	NQ	NQ	
Nampa – Weiser	New crop \$5.80	NQ	new crop \$5.47	NQ	NQ	
Nez Perce / Craigmont	\$5.55		\$5.35	\$5.59	\$6.48	
Lewiston	\$6.05		\$5.60	\$5.84	\$6.73	
Moscow / Genesee	\$5.55 – 6.10		\$5.37 -5.51	\$5.61-5.70	\$6.50-6.69	\$5.43

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			Ord protein June - NQ new crop \$5.85- 6.25 max 10.5% pro June - \$6.20¼- 6.25¼ new crop \$6.30- 6.40	June \$6.14¼- 6.39¼ new crop \$6.14- 6.29	June \$7.38–7.83 new crop \$6.81¼ -7.21¼	
Los Angeles	\$8.20–8.25			\$7.59 (13%)		
Tulare	\$8.20– 8.25					
Ogden	\$5.90		\$6.12	\$5.05	\$6.62	\$5.60
Great Falls	\$5.25	\$11.00		\$5.14-5.34 (12%)	\$5.49 – 6.13	
Minneapolis	\$5.21	NQ		\$5.69¼	\$7.23 – 7.28	

Market trends this week

BARLEY - Local feed barley prices ranged from minus 25 cents to plus 20 cents, but were mostly steady. Open market malting barley prices closed steady. USDA reported barley exports sales were net reduction of 100 MT (Japan) for MY 14/15 and sales of 100 MT for MY 15/16 (South Korea). Barley export shipments totaled 15.9 TMT to Japan.

WHEAT – Wheat prices were higher this week: local SWW prices ranged from 10 to 25 cents higher; HRW prices ranged from 14 to 29 cents higher; and DNS prices ranged from 6 to 18 cents higher. USDA reported wheat export sales were within trade expectations at net 343.7 TMT (net reduction of 20.4 TMT for MY 14/15 plus sales of 364.1 TMT for MY 15/16). Cumulative wheat export sales for the New Marketing Year 15/16 have reached 15.0% of the USDA estimate for the year compared to a 5-year average of 16.2%. Wheat export shipments last week totaled 406.3 TMT, down 18% from the prior week but up 12% for the 4-week average.

Informa has estimated 2015 U.S. wheat production at 2.143 billion bu, compared to USDA's May estimate of 2.087 billion bu, based on better yield projections for Kansas and Nebraska and the northern spring wheat region.

Wheat competitor / buyer news – The EU cut their soft wheat production estimate for 2015 by 1 MMT this week to 141.5 MMT, down more than 7 MMT from last year's record crop. Tunisia is reportedly struggling with poor winter grain conditions and will need to import at least 2.3 MMT of wheat this coming year.

CORN – USDA reported corn export sales were below trade expectations at net sales to 410.1 TMT (464.9 TMT for MY 14/15 and net reduction of 54.8 TMT for MY 15/16), down 29% from the prior week and down 31% from the 4-week average. Cumulative corn export shipments have reached 93.7% of the USDA estimate for the year, compared to a 5-year average of 94.4%. Corn export inspections last week totaled 957.4 TMT, down 11% from the prior week and down 13% from the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported weekly ethanol production posted another gain last week at 972,000 bbls per day – up 3,000 bbls or 0.3% last week and 3.6% above a year ago. Corn used in ethanol production improved to 102.1 million bu, which is now ahead of the pace needed to reach the USDA projection of 5.2 billion bu for the marketing year. U.S. ethanol inventories fell further to 20.07 million bbls, down 9.9% from a year ago.

Corn competitor / buyer news – The EU cut their corn production estimate for 2015 by 1.8 MMT this week to 68.1 MMT, down more than 9 MMT from last year's record crop. Informa raised their Argentine corn production estimate this week to 25 MMT compared to USDA estimate of 24.5 MMT. Some analysts believe Brazil's corn crop will surpass 80 MMT, based on strong second crop yield projections in Mato Grosso region, compared to USDA estimate of 78 MMT. South Africa is estimating their crop will fall to below 10 MMT, compared to last year's 14.3 MMT due to drought.

Futures Market trends this week

WHEAT – Wheat futures surged higher this week as the dollar slumped on renewed speculation that the Federal Reserve was not likely to raise interest rates before the end of the year. Wheat posted double digit gains on both Monday and Tuesday, boosted by aggressive short covering and technical buying triggered by a weaker dollar and mounting concerns about too much moisture in the U.S. hard red winter wheat crop and expanding dryness in Western Europe and Russia. Erratic trading in the dollar and profit-taking drove prices lower on Wednesday in choppy trading. But losses were short lived as wheat prices posted a strong rebound today (Thursday) on fresh short covering and technical buying sparked by concerns about delayed winter wheat harvest and disappointing yields and test weight in early Texas harvest reports.

Wheat market closes on Thursday, 6/04/15...

	July 2015	Weekly Summary	Sept 2015	Weekly Summary	Dec 2015	Weekly Summary
Chicago SRW	\$5.23 ³ / ₄	Up \$0.46 ³ / ₄	\$5.29 ¹ / ₄	Up \$0.47	\$5.43	Up \$0.46
KC HRW	\$5.41 ¹ / ₄	Up \$0.42 ¹ / ₂	\$5.52	Up \$0.44 ¹ / ₄	\$5.69 ¹ / ₂	Up \$0.44 ³ / ₄
MGE DNS	\$5.75 ³ / ₄	Up \$0.45	\$5.85	Up \$0.43 ¹ / ₂	\$5.99	Up \$0.43 ¹ / ₂

CORN – Corn prices chopped in a fairly narrow range this week, with support from stronger wheat and lower dollar offset by nearly ideal early growing conditions (warm and wet). Corn managed to shrug off disappointing export sales report to close modestly higher today (Thursday), with support from short covering and technical buying that was sparked by stronger wheat and a weaker dollar. **Corn futures contract closes on Thursday, 6/04/15... July 2015 contract at \$3.63¹/₂, up \$0.12 for the week, Sept. 2015 contract closed at \$3.70¹/₄, up \$0.13 and the Dec. 2015 contract closed at \$3.81, up \$0.13 for the week.**

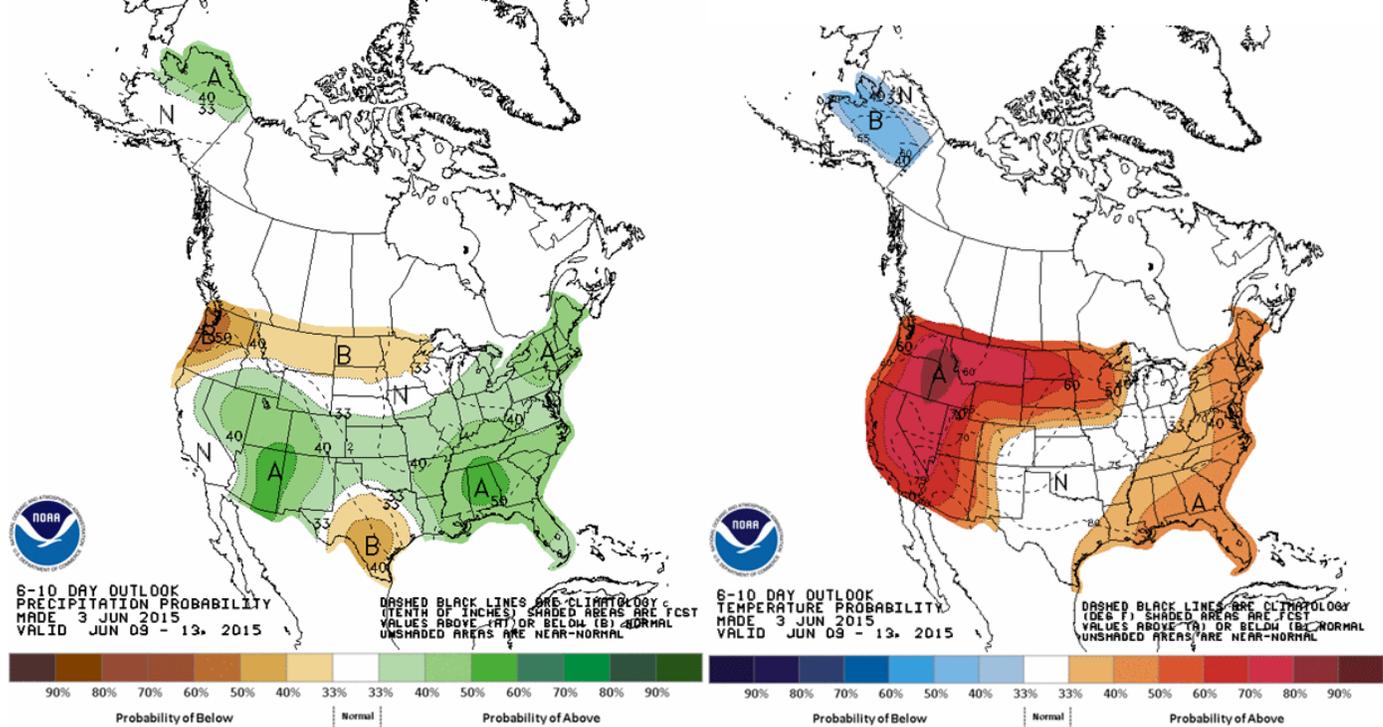
CRUDE OIL – Crude oil trading was choppy this week tied to strong whiplash action in the US dollar index. Gains continued to be limited by ample global crude stocks reinforced by news that Saudi Arabia posted record production in May (10.25 million bpa) and Iraqi posted record crude exports last month (3.145 million bpd). OPEC meets this week in Vienna and is not expected to cut production quotas. DOE continued to reported the 5th straight week of lower domestic crude inventories this week – down 1.948 million bbls, compared to an expected decrease of 1.6 million bbls. Distillates increased by 3.773 million bbls and gasoline stocks decreased by 334,000 bbls. **Crude oil finished fractionally lower today (Thursday) – down \$1.64 to close at \$58.00/bbl, down \$2.30 for the week.**

USDA Crop Progress / Condition Report, June 1, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	95% emerged	86%	73%	70%	74% g/ex	74%	67%
ID barley	100% emerged	95%	94%	83%	93% g/ex	92%	
US spring wheat	91% emerged	80%	64%	69%	71% g/ex	69%	NA
ID spring wheat	100% emerged	96%	97%	90%	82% g/ex	80%	
US winter wheat	84% headed	77%	78%	77%	44% g/ex	45%	30%
ID winter wheat	45% headed	34%	22%	12%	64%	64%	
Corn	95% planted 84% emerged	92%	94%	94%	74%	74%	76%

Weather/Crop Outlook –

- **U.S.** –PNW was warmer and received beneficial moisture from a series of thunderstorms this week. The Northern and Central Plains also saw widespread showers, causing flash flood warnings in parts of NE, KS and MO. The Southern Plains were mostly dry, which allowed winter wheat fields to begin drying out. The Corn Belt turned warmer and drier for much of the week, but cooler temperatures and showers are expected by this weekend. **The 6-10 outlook** calls for near to above normal temperatures and moisture for most of the country, with the exception of the south-central U.S. and far northern tier along the Canadian border.



- **Canada** –A persistent high pressure ridge has brought serious dryness (less than 40% of normal moisture).
- **Europe** – Conditions have turned warm and dry across Western Europe.
- **Black Sea region** – Southern Russia conditions are hot and mostly dry, causing some yield concerns. Below normal chances for rain in the near-term outlook. USDA has pegged the Russian wheat crop at 53.5 MMT, down 9% from last year (SovEcon estimate is 59 MMT) and the Ukrainian wheat crop at 22 MMT, down 11%.
- **China** – Conditions remain favorable with dry conditions aiding winter grain maturation and early harvesting.
- **Northern Africa** – Showers continued to slow crop maturation and harvest in northern Morocco and Algeria.
- **Middle East** – Growing conditions remain mostly favorable for reproductive winter grains.
- **South America** – Conditions remain favorable as second crop corn harvest begins in Brazil.
- **Australia** – Mostly dry weather this week.