

Idaho Grain Market Report, July 23, 2015

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 22, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED</b>	<b>MALTING</b>	<b>Wheat (bu.) Milling</b>			
	<b>48 lbs or better</b>	<b>Open market malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg/ Ririe/ Roberts	\$5.25		\$5.21	\$4.67	\$5.45	\$5.37
Idaho Falls	\$5.25	\$11.46-11.50	\$5.20	\$5.05	\$5.50	\$5.15
Blackfoot / Pocatello	NQ	\$10.00	\$5.20	\$5.05	\$5.50	\$5.15
Grace / Soda Springs	\$5.40	NQ	\$5.27	\$4.57	\$5.58	
Burley / Rupert	\$5.75-6.25	\$11.46	\$5.25-5.36	\$4.33	\$5.03	\$4.93
Hazelton						
Twin Falls / Buhl / Wendell	\$6.50-7.00		\$5.20	NQ	NQ	
			<b>Feed wheat</b>			
			\$4.20			
Nampa – Weiser	\$6.80	NQ	\$5.63	NQ	NQ	
Nez Perce / Craigmont	\$6.05		\$5.00	\$4.93	\$5.59	
Lewiston	\$6.55		\$5.25	\$5.18	\$5.84	
Moscow / Genesee	\$6.05-6.25		\$5.02 – 5.11	\$4.95-5.07	\$5.61-5.78	\$5.07

**Prices at Selected Terminal Markets, cash prices FOB**

	<b>#2 Feed 46 lbs. -- unit trains barge</b>	<b>Malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			Ord protein New crop NQ <b>max 10.5% pro</b> New crop \$6.46¾ 6.62	New crop \$5.67¼ - 5.92¼	New crop \$6.38- 6.63	
Los Angeles	\$9.10-9.35			\$7.78 (12%)		
Tulare	\$9.10-9.35					
Ogden	\$6.00		\$5.67	\$4.77	\$6.08	\$5.15
Great Falls	\$5.00	\$11.00		\$4.52-4.62 (12%)	\$5.04-5.33	
Minneapolis	\$5.73	NQ		\$5.42¼	\$6.48-6.88	

**Market trends this week**

**BARLEY** - Local feed barley prices ranged from steady to 25 cents lower this week, while open market malting barley prices were steady to 25 cents lower. USDA reported no barley export sales or shipments last week.

**WHEAT** – Wheat prices traded sharply lower this week: SWW prices ranged from 19 to 45 cents lower; HRW prices ranged from 33 to 45 cents lower; and HRS prices ranged from 35 to 40 cents lower. USDA reported wheat export sales were above trade expectations last week at 502.8 TMT, up 73% from the previous week. Wheat export shipments last week also were better at 582.3 TMT, up appreciably from the previous week.

**Wheat competitor / buyer news** – Russian wheat export shipments are off to a slow start in the new marketing year, falling to the lowest pace since 2004 due to confusion over their new export tax policy. Egypt bought 175 TMT of Russian wheat this week, with U.S. price offers now running about \$25 above Black Sea origins.

**CORN** – USDA reported corn export sales were on the low end of trade expectations at 534.8 TMT, hitting another old crop marketing year low (223.4 TMT for MY 14/15 and 311.4 TMT for MY 15/16). Cumulative new crop corn export sales

are now running 35% behind last year's pace at this time. Corn export shipments last week were better at 1.156 MMT, up 2% from the previous week and up 9% from the 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported another downtick in weekly ethanol production – down 11,000 or 1.12% from the previous week to 973,000 bbls per day, which is up 1.5% from a year ago. Corn used in ethanol production last week totaled 102.2 million bu, above the weekly pace of 99 million bu needed to reach the USDA's projected use of 5.175 billion bu for the marketing year. Cumulative ethanol use has topped 4.46 billion bu. U.S. ethanol stocks were down slightly to 19/559 million bbls, up 9% from a year ago.

**Corn competitor / buyer news** – Strategie Grains lowered their European corn production estimate to 64.151 MMY compared to 75.7 MMT last year due to heat and drought stress. Taiwan bought 130 TMT of Brazilian corn and Iran purchased 180 TMT of Brazilian corn this week.

#### Futures Market trends this week

**WHEAT** – Wheat prices began the week on the defensive – tumbling double digits – under the weight of harvest hedge pressure and favorable spring wheat conditions. Talk of importing French milling into the U.S. added to the negative tone. Wheat prices continued to slide lower on Tuesday and Wednesday as harvest advances and spring wheat remains in good condition. Wheat bounced modestly higher today (Thursday) on stronger than expected export sales and reports of highly variable crop conditions in Canada. **Wheat market closes on Thursday, 7/23/15...**

	<u>Sept 2015</u>	<u>Weekly Summary</u>	<u>Dec 2015</u>	<u>Weekly Summary</u>	<u>Mar 2016</u>	<u>Weekly Summary</u>
Chicago SRW	\$5.21½	Down \$0.32½	\$5.28¾	Down \$0.34¾	\$5.35	Down \$0.37
KC HRW	\$5.17	Down \$0.29½	\$5.37	Down \$0.29	\$5.51 ½	Down \$0.28¾
MGE DNS	\$5.52¾	Down \$0.22	\$5.69¾	Down \$0.21¼	\$5.85½	Down \$0.19¾

**CORN** – Corn futures also traded double digits lower to start the week, under pressure from fund liquidation triggered by nearly ideal pollination weather. Corn rebounded modestly higher on Tuesday, helped by a lower dollar and hot weather in the WCB. Selling resumed on Wednesday, pulling corn prices lower on pressure from favorable crop weather and sluggish export demand. Corn finished slightly higher today (Thursday), with early losses erased into the close on support from a weaker dollar. **Corn futures contract closes on Thursday, 7/23/15... Sept 2015 contract at \$4.03¼, down \$0.17 for the week, Dec. 2015 contract closed at \$4.13¾, down \$0.17½ and the Mar. 2016 contract closed at \$4.23 ½, down \$0.18 for the week.**

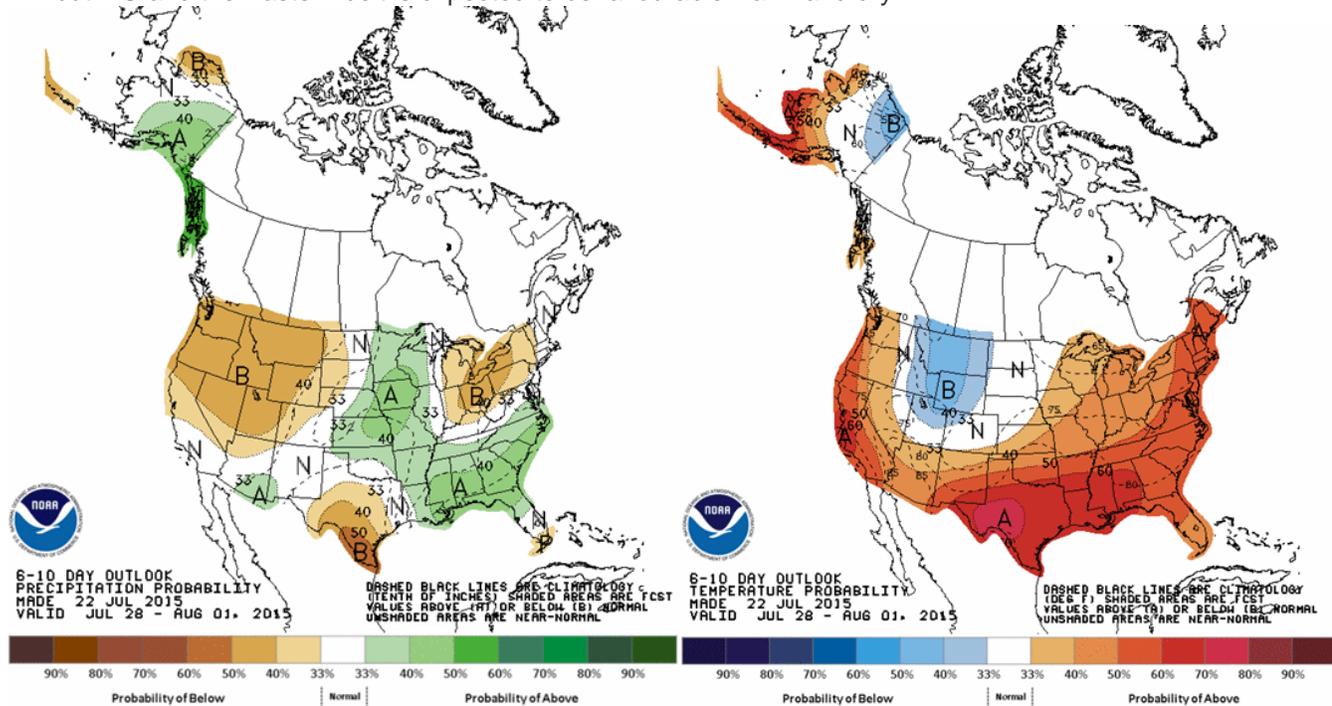
**CRUDE OIL** – Crude oil prices continued to chop in a narrow trading range, with pressure from statements by the Iranian oil minister that once sanctions are lifted Iran plans to pump 4 million bpd within the first seven months, scaling up to 4.7 million bpd as soon as possible after that. Under existing sanctions Iranian oil production fell to 1.4 million bpd. Exports are expected to reach 1 million bpd within the next year. On the positive side, the EIA reported that implied U.S. gasoline demand has returned to record levels last seen in August 2007. DOE reported a surprising build in oil inventories – up 2.468 million bbls – compared to an expected decline of 1.75 million bbls. Distillates increased by 235,000 bbls and gasoline stocks fell by 1.725 million bbls. **Crude oil settled moderately lower on Thursday – down \$0.74/bbl to close at \$48.45, down \$2.44/bbl for the week.**

#### **USDA Crop Progress / Condition Report, July 20, 2015**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley					71% g/ex	72%	66%
<b>ID barley</b>					<b>88% g/ex</b>	<b>89%</b>	
US spring wheat	96% headed	91%	82%	83%	70% g/ex	71%	70%
<b>ID spring wheat</b>	<b>96% headed</b>	<b>91%</b>	<b>99%</b>	<b>87%</b>	<b>76% g/ex</b>	<b>76%</b>	
US winter wheat	75% harvested	65%	74%	74%			
<b>ID winter wheat</b>	<b>11% harvested</b>	<b>7%</b>	<b>7%</b>	<b>2%</b>			
Corn	55% silking	27%	53%	56%	69%	69%	76%

## Weather/Crop Outlook –

- U.S.** – Mostly warm dry weather returned to the Pacific Northwest, with widely scattered showers and thunderstorms crossing the Intermountain region and Northern Rockies. The Central and Southern Plains experienced hot dry weather, while the Northern Plains and Upper Midwest saw mostly cooler conditions. Severe thunderstorms are expected across the Dakotas and Western Corn Belt for the next seven days. Heat is building in the WCB, but no real threatening conditions are expected. **The 6-10 outlook** – Above normal temperatures for most of the country, except the Interior Northwest which is below normal temps. Above normal precipitation is expected across the WCB but MO and the Eastern belt is expected to be favourable warm and dry.



- Canada** – Some of the driest areas in Western Canada received some rain over the past weekend. The CWB crop tour this week showed highly variable crop conditions, ranging from very poor conditions in Alberta to good yield potential in Manitoba.
- Europe** – Many areas are still experiencing record heat and dryness.
- Black Sea region** – Conditions remain mostly favorable.
- China** – Reproductive corn is reportedly experiencing moisture stress in the key northeastern growing region.
- South America** – Locally heavy showers persisted across Southern Brazil, causing some flooding and wheat quality concerns. Argentina was mostly warm and dry which aided winter grain planting.
- Australia** – Southeastern Australia continues to see some beneficial showers while Western Australia remains mostly dry.