

Idaho Grain Market Report, August 13, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 12, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	Barley (Cwt.) FEED 48 lbs or better	MALTING Open market malting	Wheat (bu.) Milling	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg/ Ririe/ Roberts	\$5.10		#1 SWW \$5.00	\$4.20	\$5.00	\$4.90
Idaho Falls	\$5.85	\$11.00-11.46	\$4.95 – 5.00	\$4.27 – 4.35	\$5.00 – 5.12	\$4.55 – 4.82
Blackfoot / Pocatello	NQ	\$9.00	\$4.95	\$4.35	\$5.00	\$4.55
Grace / Soda Springs	\$5.75	NQ	\$5.33	\$4.41	\$5.22	
Burley / Rupert	\$5.70-6.10	\$11.46	\$5.07-5.20	\$4.11	\$4.90	\$4.71
Hazelton						
Twin Falls / Buhl / Wendell	\$6.25–7.00		\$5.00	NQ	NQ	
			Feed wheat			
			\$4.20			
Nampa – Weiser	\$6.75	NQ	\$5.33	NQ	NQ	
Nez Perce / Craigmont	\$6.00		\$4.79	\$4.72	\$5.32	
Lewiston	\$6.50		\$5.05	\$4.98	\$5.58	
Moscow / Genesee	\$6.00-6.50		\$4.82 –4.99	\$4.75-4.84	\$5.35-5.54	\$4.84

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 \$5.42¼ -5.47¼ max 10.5% pro \$6.12¼ - 6.44¼	\$5.40¼ - 5.70¼	\$5.94½ - 6.14½	
Los Angeles	\$8.30-8.70			\$7.39 (12%)		
Tulare	\$8.30-8.70					
Ogden	\$6.35		\$5.50	\$4.50	\$5.66	\$4.90
Great Falls	\$5.00 – 5.25	\$10.00		\$4.19-4.37 (12%)	\$4.65-4.99	
Minneapolis	\$5.10	NQ		\$5.05¼	\$5.94½ –6.16½	

Market trends this week

BARLEY - Local feed barley prices ranged from 40 cents lower to 15 cents higher, with northern Idaho prices steady to 45 cents higher. Open market malting barley prices were steady to 25 cents lower. USDA reported there were no barley export sales last week, but 300 MT in export shipments to Taiwan.

USDA's BARLEY S&D Projections for MY 2015/16- Aug 12, 2015– USDA increased **2015 U.S. barley production by 8 million bu this month to 210 million bu**, based on better yield prospects in Idaho and Colorado. Imports were cut by 5 million bu to 20 million bu, domestic feed use was cut by 5 million bu to 60 million bu and exports were increased by 5 million bu to 15 million bu. This resulted in **a 4 million bu cut in ending stocks to 80 million bu**. The average U.S. barley farm-gate price range was left unchanged at \$4.20-5.00/bu. World barley production was pegged 1.6 MMT higher this month to 139.4 MMT, which is down 1% from last year. World barley ending stocks were pegged slightly lower to 21.4 MMT, down 11% from the previous year.

Barley Competitor/Buyer News - USDA cut Canada's barley production estimate this month by 1.0 MMT to a multi-year low of 6.5 MMT, down 9% from last year. They raised Ukraine's barley crop estimate this month by 2.3 MMT to 8.3 MMT, which is still down 12% from last year.

WHEAT – Wheat prices traded mixed to mostly lower this week: SWW prices ranged from minus 30 cents to plus 8 cents; HRW prices ranged from minus 25 cents to plus 5 cents; and HRS prices ranged from minus 17 cents to plus 7 cents. USDA reported wheat export sales were on the low end of trade expectations last week at 421.6 TMT, down 50% from the previous week and 28% below the 4-week average. Wheat export shipments last week totaled 399.5 TMT, up 27% from the previous week and 3% from the 4-week average.

USDA's WHEAT S&D Projections for MY 2015/16 – Aug. 12, 2015 –Wheat S&D estimates were considered mixed against trade expectations...USDA pegged **2015 U.S. wheat production 12 million bu lower to 2.136 billion bu, with lower winter wheat harvest more than offsetting higher spring wheat projection.** Winter wheat production was cut by 18 million bu to 1.438 billion bu, below trade expectations, while spring wheat crop was increased by 4 million bu to 621 million bu, also below trade expectations. USDA cut wheat imports by 5 million bu to 125 million bu due to declining crop prospects in Canada, and cut exports by 25 million bu to 925 million bu, based on a slow export pace. This resulted in a **8 million bu increase in ending stocks to 850 million bu, which is BELOW the average pre-report trade estimate of 858 million bu.** The average U.S. wheat farm-gate price range was tightened on both ends to \$4.65-5.55/bu. World wheat production was increased by 4.6 MMT to a new record 726.6 MMT, with larger crops in the Black Sea region more than offsetting lower U.S. and Canadian production. **World wheat ending stocks were increased by 1.4 MMT this month to 221.5 MMT, ABOVE the average pre-report trade estimate of 218 MMT, and up 6% from last year.**

Wheat competitor / buy news – USDA cut Canadian wheat production this month by 1 MMT to 26.5 MMT and cut Argentine production by 0.4 MMT to 11.1 MMT. By contrast, they raised Russia's production by 3 MMT to 60 MMT and Ukraine's production by 1.5 MMT to 25.5 MMT, based on better than expected late season growing conditions. Strategie Grains raised their EU soft wheat crop estimate by 3.1 MMT this week to 144 MMT, down 4% from last year's record 149.3 MMT. Local analysts are projecting the Argentine crop could fall to 10- 10.5 MMT based on lower planted area and recent flooding damage in key northern production areas. Saudi Arabia purchased 505 TMT of hard wheat from multiple origins. Jordan tendered for 100 TMT of hard wheat this week. Egypt purchased 175 TMT of Russian and Ukrainian wheat overnight.

CORN – USDA reported corn export sales were within trade expectations last week at 531.1 TMT (29.2 TMT for old crop and 501.9 TMT for new crop). Corn export shipments last week totaled 840.6 TMT, down 16% from the previous week and 23% from the 4-week average.

USDA's CORN S&D Projections for MY 2015/16 – Aug 12, 2015 - Corn S&D estimates were considered bearish against trade expectations. USDA surprised the grain trade by **increasing both their yield (+2 bu to 168.8 bu per acre) and production estimates (+156 million bu to 13.69 billion bu).** Both were ABOVE pre-report trade expectations of 164.5 bu per acre and 13.324 billion bu. Domestic feed usage was increased by 25 million bu to 5.3 billion bu, ethanol usage was raised by 25 million bu to 5.25 billion bu and exports were cut by 25 million bu to 1.85 billion bu based on increased competition from South American origins. This resulted in a **114 million bu increase in new crop ending stocks to 1.713 billion bu, which is ABOVE the average pre-report trade estimate of 1.42 billion bu.** The average new crop corn farm-gate price range was tightened on both ends to \$3.35-3.95/bu. World corn production was cut by 1.5 MMT this month to 985.6 M MT, which is 2% below the current year. World corn ending stocks, however, were increased by 5 MMT to 195.1 MMT, based on lower usage, and ABOVE the average pre-report trade estimate of 187.9 MMT.

Ethanol corn usage – DOE's Energy Information Agency reported a turn around in weekly ethanol production – up 4,000 bbls or 0.4% from the previous week to 965,000 bbls per day, which is up 3.7% from a year ago. Corn used in ethanol production last week totaled 101.3 million bu, bringing cumulative use to 4.76 billion bu. U.S. ethanol stocks were down another 4% to 18.5 million bbls, but still 4% above last year's level.

Corn competitor / buyer news – USDA raised their Brazilian corn production estimate for MY 2015/16 by 2 MMT to 79 MMT compared to this year's record crop of 84 MMT. As expected, USDA cut European corn production by 3.5 MMT to 62.3 MMT, down 17% from last year. However, Strategie Grains pegged the EU corn crop even lower this week at 59.6 MMT, 21% below last year's crop. USDA cut their Chinese corn production estimate by 4 MMT this month to 225 MMT, which is still 4% above 2014. Argentine farm groups are launching a 5 day strike starting August 24 to protest their government's commodity export taxes and licensing controls.

Futures Market trends this week

WHEAT – Wheat prices moved double digits higher on Monday, buoyed by spillover support from corn and beans. Profit-taking drove prices sharply lower on Tuesday, under pressure from a higher dollar and ample world stocks. Wheat prices continued to churn sharply lower on Wednesday under spillover pressure from corn and beans which turned lower on bearish S&D estimates. Wheat posted a corrective bounce higher today (Thursday) on mostly short covering and technical buying, despite a stronger dollar and lackluster export sales. **Wheat market closes on Thursday, 8/13/15...**

	Sept 2015	Weekly Summary	Dec 2015	Weekly Summary	Mar 2016	Weekly Summary
Chicago SRW	\$5.03 ³ / ₄	Down \$0.07 ¹ / ₄	\$5.09	Up \$0.06 ³ / ₄	\$5.14 ³ / ₄	Down \$0.08 ¹ / ₄
KC HRW	\$4.85 ¹ / ₄	Down \$0.07 ³ / ₄	\$5.06 ¹ / ₄	Down \$0.07 ¹ / ₂	\$5.20 ¹ / ₄	Down \$0.07 ¹ / ₄
MGE DNS	\$5.18 ¹ / ₄	Down \$0.06 ³ / ₄	\$5.34	Down \$0.07 ¹ / ₄	\$5.50 ¹ / ₂	Down \$0.07 ³ / ₄

CORN – Corn futures surged higher to start the week on a mostly hot and dry weather forecast for the week, lower dollar and positioning ahead of Wednesday’s monthly S&D report. In turn-around Tuesday, corn prices fell double digits, giving back most of Monday’s gains on profit-taking pressure and updated forecasts showing good chances of rain next week. Corn posted contracts low on Wednesday after a wild roller coaster ride which began higher on further short covering ahead of the S&D report followed by a sharp retreat in the face of surprisingly bearish yield and production estimates from USDA, which were well above trade expectations. Corn prices rebounded today (Thursday), boosted by short covering and fresh fund buying. The upside remains limited by bearish yield projection and lackluster export performance. **Corn futures contract closes on Thursday, 8/13/15... Sept 2015 contract at \$3.63³/₄, down \$0.09 for the week, Dec. 2015 contract closed at \$3.75¹/₄, down \$0.08¹/₂ and the Mar. 2016 contract closed at \$3.87, down \$0.07³/₄ for the week.**

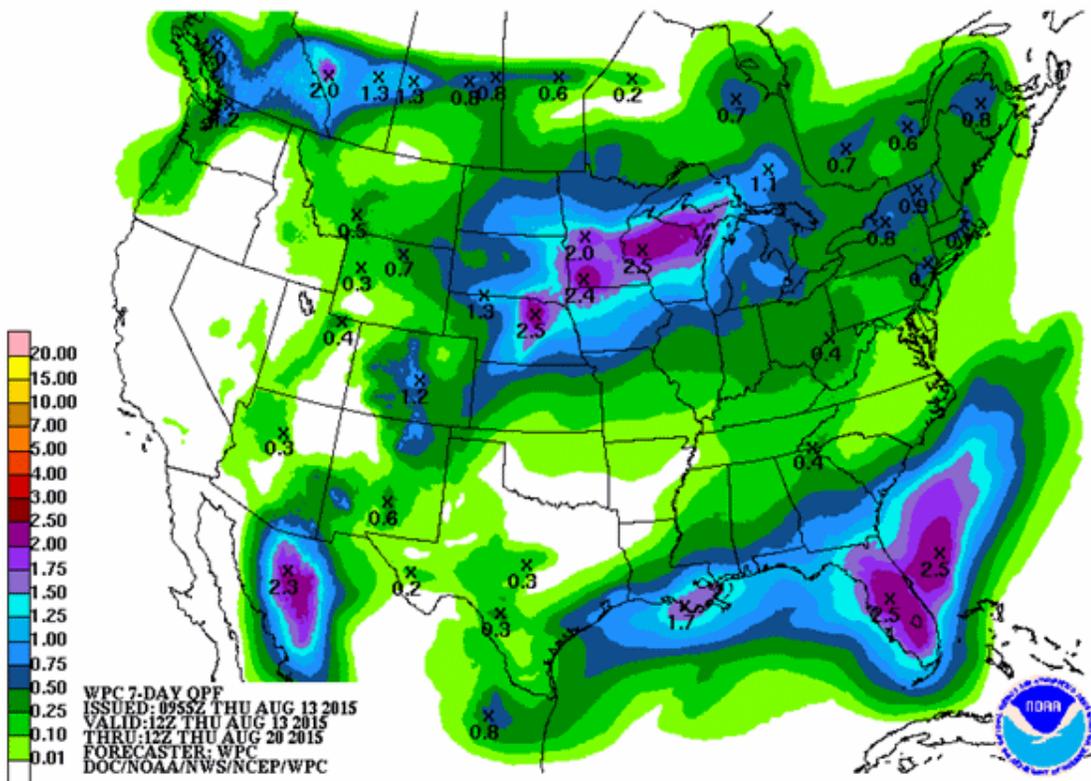
CRUDE OIL – Crude oil trading remained highly volatile this week in the wake of Chinese economic worries and an unexpected devaluation of their currency with drove global markets sharply lower. However, these mounting concerns about Chinese demand were offset by support from a lower dollar which fell to a one month low on Wednesday as traders believe Chinese uncertainties will prompt the Federal Reserve to delay their widely anticipated interest rate hike. DOE reported crude oil inventories fell less than expected last week – down 1.68 million bbls compared to an expected decline of 1.8 million bbls. Distillates increased by 2.99 million bbls, compared to an expected build of 1.2 million bbls, while gasoline stocks fell by 1.25 million bbls, compared to an expected decline of 1.0 million bbls. **Crude oil settled sharply lower on Thursday on pressure from a higher dollar – down \$1.07/bbl to close at \$42.23, which is down \$1.64/bbl for the week.**

USDA Crop Progress / Condition Report, August 10, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	42% harvested	17%	16%	18%	66% g/ex	68%	65%
ID barley	39% harvested	22%	21%	17%	84% g/ex	86%	
US spring wheat	28% harvested	8%	6%	20%	69% g/ex	70%	70%
ID spring wheat	35% harvested	19%	19%	11%	68% g/ex	69%	
US winter wheat	97% harvested	93%	94%	90%			
ID winter wheat	80% harvested	54%	57%	38%			
Corn	96% silking 50% dough 9% dented	90% 29% NA	95% 51% 49%	96% 49% 15%	70%	70%	73%

Weather/Crop Outlook –

- **U.S.** – Heat returned to the PNW this week with mostly dry conditions accelerating grain harvest. The Intermountain region of Eastern Idaho continued to receive waves of widely scattered showers which has caused minor interruptions in the grain harvest but quality remains mostly favorable. The Corn Belt saw favorable weekend rains followed by mostly dry conditions to start this week. A wide band of showers moved into the Central and Northern Plains on Thursday tracking eastward on Friday. The 7 day map below shows wet conditions lingering across the Upper Midwest. **The 6-10 outlook** – Above normal precipitation is expected across much of the Midwest with a mix of temperatures as heat lingers in the Eastern Corn Belt but cooler than normal temperatures prevail elsewhere.



- **Canada** – Many areas are receiving moisture but it comes too late to improve yield potential.
- **Europe** – Heat wave continues across key corn growing areas, causing summer crop stress.
- **Argentina** – Northern wheat growing region saw excessive moisture this week, causing localized flooding damage to recently planted winter grains, prompting private analysts to cut Argentine wheat production estimate to 10-10.5 MMT. USDA pegged the crop at 11.1 MMT this week.