

Idaho Grain Market Report, September 11, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 9, 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 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg/ Ririe/ Roberts	\$5.00 – 5.50		\$4.92 – 4.95	\$4.15	\$5.10	\$4.60 – 4.85
Idaho Falls	\$5.60	\$10.42-11.00	\$4.95	\$4.15- 4.33	\$4.85 - \$5.20	\$4.55 – 4.82
Blackfoot / Pocatello	NQ	\$9.00	\$4.95	\$4.15	\$4.85	\$4.55
Grace / Soda Springs	\$5.75	NQ	\$4.98	\$4.13	\$5.15	
Burley / Rupert	\$5.80-6.00	\$10.42	\$4.80 -4.92	\$3.97	\$4.71	\$4.57
Hazelton						
Twin Falls / Buhl / Wendell	\$6.75–7.00		\$4.90	NQ	NQ	
			Feed wheat			
			\$4.20			
Nampa – Weiser	\$6.55	NQ	\$5.50	NQ	NQ	
Nez Perce / Craigmont	\$5.75		\$4.57	\$4.94	\$5.35	
Lewiston	\$6.25		\$4.83	\$5.20	\$5.61	
Moscow / Genesee	\$5.75-6.25		\$4.60 –4.72	\$4.97-5.16	\$5.38-5.57	\$5.06

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			Ord protein \$5.27¼ -5.35 max 10.5% pro \$6.27¼ - 6.52	\$5.47½ - 5.82½	\$6.05¼ - 6.25¼	
Los Angeles	\$8.90-9.20			\$7.16 (12%)		
Tulare	\$8.90-9.20					
Ogden	\$6.35		\$5.25	\$4.43	\$5.55	\$4.72
Great Falls	\$5.00–5.25	\$10.00		\$4.16-4.39 (12%)	\$4.86 - 5.00	
Minneapolis	\$4.80	NQ		\$5.02½	\$5.90¼ - 6.30¼	

Market trends this week

BARLEY - Local feed barley prices ranged from minus 15 cents to plus 20 cents. Open market malting barley prices were steady to a \$1.00 lower. USDA reported net reduction of 1,000 MT in barley export sales last week and export inspections of 13.9 TMT to Morocco.

USDA's BARLEY S&D Projections for MY 2015/16- Sept. 11, 2015– USDA made no changes to the domestic barley balance sheet. The average U.S. barley farm-gate price range was increased to \$4.50-5.30/bu. World barley production was pegged 5.4 MMT higher this month to 144.8 MMT, which is up 3% from last year, based on bigger crops in the EU and Black Sea region. World barley ending stocks were pegged 2.5 MMT higher at 23.9 MMT, which is nearly unchanged from last year.

WHEAT – Wheat prices continued to be mixed this week: SWW prices ranged from minus 20 cents to plus 17 cents; HRW prices ranged from minus 25 cents to plus 17 cents; and HRS prices ranged from minus 7 cents to plus 16 cents. USDA reported wheat export sales were on the low end of trade expectations at 290.7 TMT, up 5% from the previous week but down 25% from the 4-week average. Wheat export shipments last week totaled 500.4 TMT, down 6% from the previous week but up 6% from the 4-week average.

USDA's WHEAT S&D Projections for MY 2015/16 – Sept. 11, 2015 –Wheat S&D estimates were considered mildly bearish gainst trade expectations but wheat is benefiting from spillover support from corn's bullish momentum... USDA cut exports by 25 million bu to 900 million bu based on a slow export pace and raised ending stocks by 25 million bu to 875 million bu. This was ABOVE the average pre-report trade estimate of 850 million bu. The average U.S. wheat farm-gate price range was tightened to \$4.65-5.35/bu. World wheat production was increased by 5 MMT to a new record 731.6 MMT, with larger crops in the EU and Black Sea region more than offsetting lower Canadian production. World wheat ending stocks were increased by 5 MMT this month to 226.6 MMT, up 7% from last year but BELOW the average pre-report trade estimate of 230 MMT.

Wheat competitor / buy news – ABARE raised their Australian wheat production estimate to 25.284 MMT, up 1.68 MMT from their June forecast based on recent beneficial rains. USDA has pegged the Australian wheat crop at 26 MMT. Ukrainian Ag Ministry has pegged their wheat exports at 15.9 MMT, compared to USDA's estimate of 13.5 MMT. Russian farmers are expected to sharply increase winter wheat plantings this fall, with seedings already 30% completed. More rain is needed in the Southern District to aid planting. The EU approved export licenses for 354 TMT of wheat this wee, bringing their cumulative wheat exports to 3.7 MMT, down from 5.3 MMT in the same period last year.

CORN – USDA reported corn export sales were within trade expectations last week at 411 TMT, down 7% from the previous week. Cumulative old crop export sales totaled 45.8 MMT, down 3% from the previous year. Corn export shipments totaled 908.3 TMT (640.9 TMT in MY 14/15 and 267.4 TMT in MY 15/16 which began Sept. 1), down 16% from the previous week.

Ethanol corn usage – DOE's Energy Information Agency reported weekly ethanol production increased last week - up 10,000 bbls per day or 1.1% from the previous week to 958,000 bbls. U.S. ethanol stocks were down 2% last week to 18.6 million bbls, which is now only 4% above last year's level.

USDA's CORN S&D Projections for MY 2015/16 – Sept. 11, 2015 - Corn S&D estimates were considered supportive against trade expectations. As expected, USDA cut their yield -1.3 bu to 167.5 bu per acre and production by 101 million bu to 13.585 billion bu, which were mostly in line with pre-report trade expectations. Domestic feed usage was cut by 25 million bu to 5.275 billion bu while food and industrial usage was raised by 5 million bu to 6.63 billion bu. Corn exports were left unchanged at 1.85 billion bu, resulting in a 121 million bu cut to new crop ending stocks to 1.592 billion bu. This was BELOW the average pre-report trade estimate of 1.643 billion bu. The average new crop corn farm-gate price range was widened to \$3.45-4.05/bu. World corn production was cut by 7.5 MMT this month to 978.1 M MT, which is 32% below the previous year. World corn ending stocks were cut by 5.4 MMT to 189.9 MMT, down 4% from last year, and BELOW the average pre-report trade estimate of 191.5 MMT.

Corn competitor / buyer news – A private analyst pegged the new crop Brazilian acreage down 6%, with planting now underway. USDA pegged Brazilian corn exports 1 MMT higher than last month at 29 MMT, which if realized, would be up 32% higher than MY 2014/15 exports of 22 MMT. The Rosario Grain Exchange expects Argentine corn acreage to fall by 23%, but they also revised their 2014/15 corn crop 1.5 MMT higher this month to 27.3 MMT. The Buenos Aires Grain Exhcnge pegs their MY 15/16 corn crop at 26.3 MMT and USDA at 26.5 MMT. Ukraine cut their corn export projections this week by 1.9 MMT to 16.9 MMT due to drought impacts. By comparison, USDA pegs Ukrainian corn exports at 18.5 MMT. China National Grain & Oils Information Center cut their Chinese corn production estimate for MY 2015/16 by 3 MMT to a new record high of 229 MMT. USDA has pegged their corn crop at 225 MMT, which would be up 4% from last year.

Futures Market trends this week

WHEAT – Lower dollar and notable improvements in the outside macro markets triggered short covering and modestly higher prices to start the week. But gains were short lived as prices finished mixed to lower on Wednesday on pressure from ample world supplies and ideas that USDA will raise their domestic and world wheat carryover estimates on Friday. Short covering drove wheat modestly higher on Thursday with support from a weaker dollar. **Wheat market closes on Thursday, 9/10/15... please note we have shifted to Dec 2015, Mar 2016 and May 2016 contracts...**

	<u>Dec 2015</u>	<u>Weekly Summary</u>	<u>Mar 2015</u>	<u>Weekly Summary</u>	<u>May 2016</u>	<u>Weekly Summary</u>
Chicago SRW	\$4.78	Up \$0.10 ¹ / ₄	\$4.86	Up \$0.09 ³ / ₄	\$4.91	Up \$0.08 ³ / ₄
KC HRW	\$4.77 ¹ / ₂	Up \$0.02 ³ / ₄	\$4.91	Up \$0.02	\$5.00 ³ / ₄	Up \$0.02 ¹ / ₄
MGE DNS	\$5.08 ³ / ₄	Up \$0.05 ¹ / ₂	\$5.23	Up \$0.03 ³ / ₄	\$5.33	Up \$0.02 ³ / ₄

CORN – Corn futures posted solid gains on Tuesday, boosted by a lower dollar and positioning ahead of Friday’s monthly S&D report which is expected to show lower US corn yields and production. Corn closed fractionally higher on Wednesday in choppy trading with spillover pressure from upcoming harvest and lower soybeans. Corn finished modestly higher on Thursday in active positioning and short covering ahead of Friday’s report. **Corn futures contract closes on Thursday, 9/10/15... Dec 2015 contract at \$3.74¼, up \$0.11¼ for the week, Mar. 2016 contract closed at \$3.85½, up \$0.11 and the May 2016 contract closed at \$3.92½, up \$0.11 for the week.**

CRUDE OIL – Crude oil traded in a fairly narrow channel this week with ongoing pressure from production outpacing demand and ideas that Asian demand is softening. In their monthly Short Term Energy Outlook released this week, the US Energy Information Agency cut both their 2015 and 2016 US oil production estimates by 1.5% to 9.2 million bbls per day and 1.6% to 8.82 million bbls per day respectively. DOE reported crude oil inventories increased by 2.57 million bbls last week, compared to an expected increase of 500,000 bbls. Distillates increased by 952,000 bbls while gasoline stocks increased by 384,000 bbls. **Crude oil finished \$1.77 higher on Thursday to close at \$45.92, which is down \$0.13/bbl for the week.**

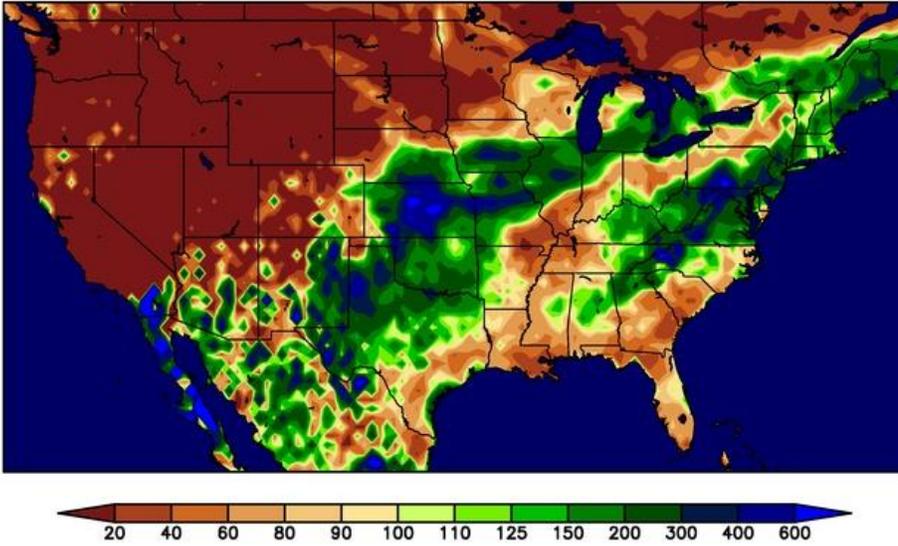
USDA Crop Progress / Condition Report, Sept. 8, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	95% harvested	93%	78%	82%			
ID barley	93% harvested	89%	83%	81%			
US spring wheat	94% harvested	88%	55%	76%			
ID spring wheat	93% harvested	92%	74%	77%			
US winter wheat	3% planted	NA	3%	3%			
ID winter wheat	2% planted	2%	-	-			
Corn	96% dough 76% dented 20% mature	92% 60% 9%	94% 67% 14%	95% 75% 26%	68%	68%	74%

Weather/Crop Outlook –

- **U.S.** –Weekend rains and cooler air across the PNW gave way to record setting heat and drier conditions this week. The Northern Plains were cool and mostly dry. A cold front moved through the Midwest, bringing cooler air and a wide band of heavy moisture stretching from Texas up through the Upper Mississippi and Ohio River Valleys into the Great Lakes region. More rain is expected this weekend. **The 6-10 day outlook** – Extended forecast shows warmer and mostly wet conditions.

Martell Crop Projections
7-day GFS Precipitation Forecast (pct of normal)
7 September 2015 – 13 September 2015



- **Canada** – Most prairie grain production areas received heavy soaking rains in August but came too late to overcome earlier moisture and heat stress. More heavy rain is expected in the next week across Alberta and Saskatchewan, disrupting harvest.
- **Argentina** – More rainfall this week caused reports of localized flooding and crop damage.
- **Australia** – Mostly dry the next two weeks, but recent periodic showers have maintained mostly favourable grain crop conditions.