

Idaho Grain Market Report, September 24, 2015

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 23, 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		\$5.20	NQ	NQ	NQ
Idaho Falls	\$5.85	\$9.38 - \$10.00	\$5.25-5.30	\$4.25- 4.46	\$5.40- \$5.42	\$4.85–5.11
Blackfoot / Pocatello	NQ	\$9.00	\$5.30	\$4.25	\$5.40	\$4.85
Grace / Soda Springs	\$5.75	NQ	\$5.32	\$4.40	\$5.38	
Burley / Rupert	\$5.90-6.00	\$9.38	\$5.20 -5.31	\$4.31	\$5.06	\$4.91
Hazelton						
Twin Falls / Buhl / Wendell	\$6.80–7.00		\$5.30	NQ	NQ	
			Feed wheat			
			\$4.20			
Nampa – Weiser	\$6.75	NQ	\$5.70	NQ	NQ	
Nez Perce / Craigmont	\$5.75		\$4.84	\$5.23	\$5.79	
Lewiston	\$6.25		\$5.10	\$5.49	\$6.05	
Moscow / Genesee	\$5.75-6.25		\$4.87 –5.04	\$5.25-5.40	\$5.83-5.96	\$5.40

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 Sept -NQ; Oct- \$5.37½ -5.41 max 10.5% pro Sept & Oct \$6.57½ - 6.82½	\$6.11¼	\$6.42¼ - 6.67¼	
Los Angeles	\$8.90-9.20			\$7.43 (12%)		
Tulare	\$9.85 – 10.15					
Ogden	\$6.35		\$5.57	\$4.72	\$5.77	\$5.01
Great Falls	\$5.00–5.25	\$10.00		\$4.45-4.71 (12%)	\$5.08 - 5.22	
Minneapolis	\$5.10	NQ		\$5.31¼	\$6.17½ - 6.47½	

Market trends this week

BARLEY - Local feed barley prices were steady to 35 cents lower, but mostly steady this week. Open market malting barley prices were steady this week. USDA reported there were no barley export sales or shipments last week.

WHEAT – Wheat prices were higher this week: SWW prices ranged from 10 to 25 cents higher; HRW prices ranged from 6 to 22 cents higher; and HRS prices ranged from 10 to 31 cents higher. USDA reported wheat export sales were within trade expectations at 313.7 TMT (282.8 TMT for MY 2015/16 and 30.9 TMT for MY 2016/17), down 25% from the previous week and down 23% from the 4-week average. Wheat export shipments last week were stronger at 614.9 TMT, up 13% from the previous week and up 27% from the 4-week average.

Wheat competitor / buyer news – China imported 343.4 TMT of wheat in August, up 871% from the same month last year. Their cumulative wheat imports in calendar year 2015 total 2.04 MMT, down 24% from the same period a year ago. Russian wheat prices are reportedly competitive into Brazil, giving the U.S. more competition in our own hemisphere. Egypt purchased 230 TMT of wheat from France, Ukraine and Russia this week.

CORN – USDA reported corn export sales were below trade expectations last week at 426.3 TMT, down 20% from the previous week. Corn export shipments totaled 795.4 TMT, down 1% from the previous week.

Ethanol corn usage – DOE’s Energy Information Agency reported weekly ethanol production was notably lower last week - down 23,000 bbls per day or 3.3% from the previous week to 938,000 bbls which is up 5.5% from the previous year. U.S. ethanol stocks are inching higher again to 18.9 million bbls, up 3% from the previous week and 2% higher than the previous year. Corn used to produce ethanol totaled 98.5 million bu, dipping below the pace needed to reach USDA’s projection for MY 2015/16 of 5.25 billion bu.

Corn competitor / buyer news – China imported 607.6 TMT of corn in August, up substantially from the same period a year ago. For the first eight months of the calendar year, China has imported 4.36 MMT of corn, up 173% from a year ago.. DDG imports also have been brisk with August imports up 26% from the same period last year but cumulative imports are down 9% on the year signaling a slowing in imports. **Last weekend China announced significant changes to their domestic corn support program which has propped up corn prices well above world prices and caused a massive build up in government stocks. They plan to buy corn from Chinese farmers for one more year but will cut their corn support price by at least 10% (to \$7.98/bu) to help curb imports of cheaper substitutes like sorghum and barley. As a result the Dalian corn futures price has fallen to the lowest level in 5 years.** Ukraine pegs their 2015 corn crop at 23 MMT, down 20% from last year due to excessive heat and lack of moisture in August which they report was the driest in the past 54 years. Brazilian ag inspectors are on strike this week with ships waiting to load corn backing up. SAFRAS is predicting the Brazilian corn crop in MY 2014/15 will reach 88.6 MMT, up at least 2 MMT from earlier projections and above USDA’s projection of 84 MMT. Private trade forecasts peg the Argentinian new crop (MY 15/16) smaller at 21.6 MMT, compared to USDA’s current estimate of 25 MMT and last year’s 26.5 MMT.

Futures Market trends this week

WHEAT – Wheat markets posted solid gains on Monday, boosted by talk of dry planting conditions in the Western US, Russia and Ukraine. In turnaround Tuesday, wheat prices closed modestly lower but losses were trimmed into the close. Pressure came from a higher dollar and spillover weakness in corn and soybeans. Prices rebounded sharply higher on Wednesday, finishing double digits higher on ideas that winter wheat conditions are not ideal in Ukraine and Russia with at least one half of the Ukrainian crop and at least one quarter of the Russia crop is at risk from moisture stress and poor stand establishments. Also there are rising concerns about a drying trend across Australia, where limited frost damage was reported in the winter wheat this week. Wheat was the upside leader this week, signaling that a near-term low may be in place. Upside momentum, however, appears to be limited until demand picks up. Profit-taking sparked by a disappointing export sales report drove prices sharply lower today (Thursday). **Wheat market closes on Thursday, 9/24/15...**

	Dec 2015	Weekly Summary	Mar 2015	Weekly Summary	May 2016	Weekly Summary
Chicago SRW	\$4.97 ³ / ₄	Up \$0.10 ¹ / ₂	\$5.04 ¹ / ₄	Up \$0.10 ³ / ₄	\$5.08 ³ / ₄	Up \$0.10 ¹ / ₂
KC HRW	\$4.90	Up \$0.07 ³ / ₄	5.04 ¹ / ₂	Up \$0.08	\$5.14 ¹ / ₂	Up \$0.08
MGE DNS	\$5.14 ¹ / ₂	Up \$0.03 ¹ / ₂	\$5.28 ¹ / ₂	Up \$0.03 ¹ / ₄	\$5.38 ¹ / ₄	Up \$0.03

CORN – Corn futures began the week higher with short covering triggered by a large Mexican corn purchase. Seasonal hedge pressure and a higher dollar pushed corn prices lower on Tuesday. Corn closed modestly higher in two-sided trading action on Wednesday, with bouts of profit-taking limiting the gains. Demand concerns remain an anchor on the corn market, as ethanol margins have soured and the export pace is slipping behind a five year average and pace needed to reach USDA’s projection for the marketing year. Profit-taking pushed corn futures modestly lower today (Thursday), with pressure from disappointing corn export sales and ideas that Brazilian corn is price competitive into Eastern U.S. livestock feeding markets. **Corn futures contract closes on Thursday, 9/24/15... Dec 2015 contract at \$3.81¹/₂, up \$0.04¹/₄ for the week, Mar. 2016 contract closed at \$3.92³/₄, up \$0.04¹/₄ and the May 2016 contract closed at \$4.00, up \$0.04 for the week.**

CRUDE OIL – Crude oil prices saw wild see-saw action this week closely tied to outside macroeconomic concerns as the outlook for Chinese manufacturing worsened and demand concerns are rising across Asia and other emerging markets. DOE reported crude oil inventories fell more than expected for the second consecutive week – down 1.93 million bbls, compared to an expected decrease of 1.1 million bbls. Distillates decreased by 2.1 million bbls compared to an expected build of 1.0 million bbls, while gasoline stocks increased by 1.4 million bbls, compared to an expected increase of 850,000 bbls. DOE reported that supplies at Cushing OK declined by another 462,000 bbls last week, but domestic crude oil production increased by 0.2%, the first increase in 7 weeks. **Crude oil finished \$0.43 higher on Thursday to close at \$44.91, which is up \$0.23/bbl for the week.**

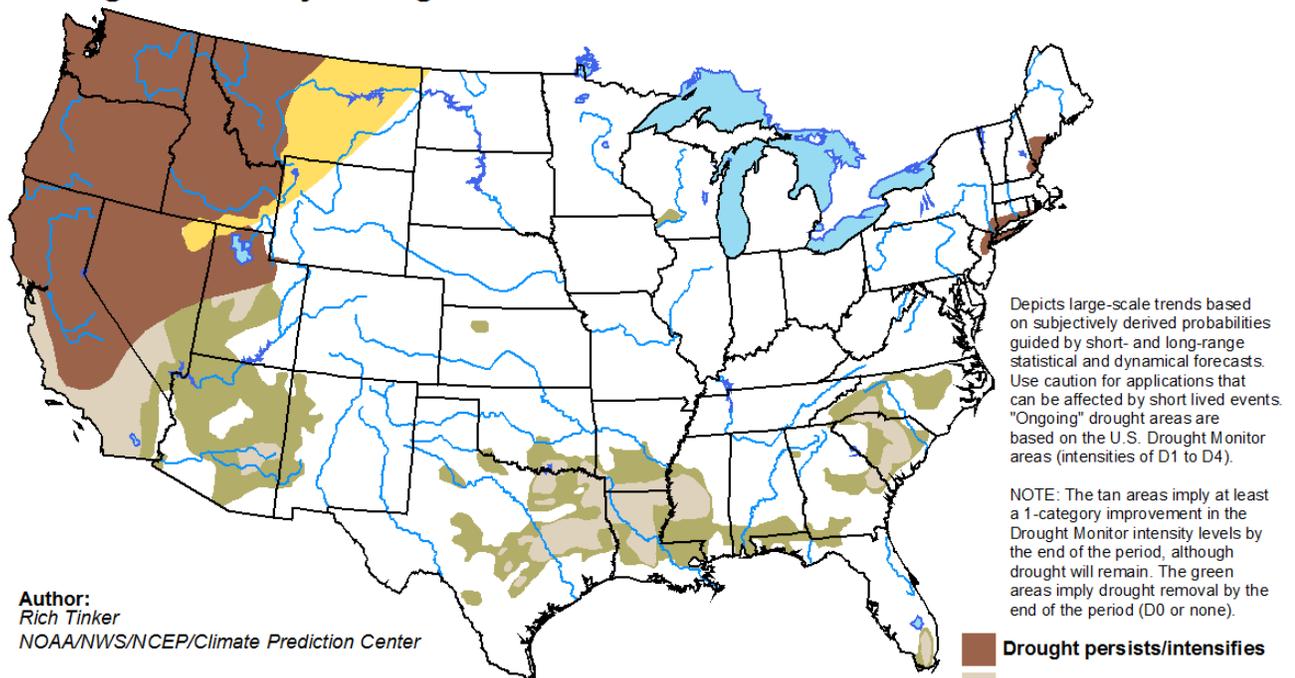
USDA Crop Progress / Condition Report, Sept. 21, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	19% planted	9%	23%	20%			
ID winter wheat	25% planted	17%	27%	24%			
Corn	53% mature 10% harvested	35% 5%	40% 7%	56% 15%	68%	68%	74%

Weather/Crop Outlook –

- U.S. –**The PNW saw mostly warm and dry conditions this week, allowing final spring grain harvest to wrap up across eastern Idaho. **Winter wheat planting continues rapidly across the PNW with less than desirable soil moisture conditions as depicted in the Seasonal Drought Map below: WA reported 60% of its topsoil and 65% of its subsoil were short to very short; OR reported 85% of its topsoil and 87% of its subsoil were short to very short; and ID reported 48% of its topsoil and 51% of its subsoil were short to very short.** Another wide band of showers stretched from Texas Panhandle up through the Dakotas midweek, aiding newly planted winter wheat and causing only minor disruptions in summer crop harvest. **The 6-10 day outlook –** Near to above normal temperatures are expected for much of the country, except the far northwestern corner of the country. Precipitation is expected to be normal to below normal for most of the Midwest, except for Nebraska and the Dakotas.

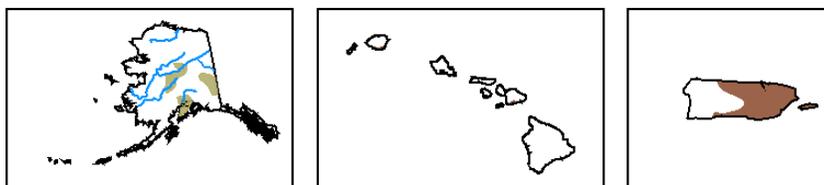
U.S. Seasonal Drought Outlook valid for September 17 - December 31, 2015 Drought Tendency During the Valid Period Released September 17, 2015



- Drought persists/intensifies
- Drought remains but improves
- Drought removal likely
- Drought development likely



<http://go.usa.gov/3eZ73>



- Canada –** Western prairie harvest is more than 70% completed, with drier conditions aiding harvest this week.
- Black Sea –** Region remains very dry, which is stressing newly emerged winter wheat. About one-half of the Ukrainian crop and about one quarter of the Russian crop are considered severely stressed and there is little rain in the near-by forecast.
- Argentina –** Mostly sunny conditions spurred growth of winter wheat and barley.
- Australia –** Trending drier. Reported limited frost damage in winter grains in Western Australia and Victoria this week.