

Idaho Grain Market Report, October 29, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 28, 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 | \$5.20 -5.85 | | #1 SWW \$5.15-5.25 | \$4.20 | \$5.30 | \$5.00 |
| Idaho Falls | \$5.80 | \$9.30 - \$9.38 | \$5.15-5.25 | \$4.20 | \$5.15-5.26 | \$4.75-4.95 |
| Blackfoot / Pocatello | NQ | \$9.00 | \$5.15 | \$4.20 | \$5.15 | \$4.75 |
| Grace / Soda Springs | \$6.35 | NQ | \$5.23 | \$4.34 | \$5.20 | |
| Burley / Rupert | \$6.00 | \$9.38 | \$5.10-5.25 | \$4.20 | \$4.96 | \$4.80 |
| Hazelton | | | | | | |
| Twin Falls / Buhl / Wendell | \$6.80-7.00 | | \$5.25 Feed wheat | NQ | NQ | |
| Nampa – Weiser | \$7.00 | NQ | \$4.20 \$5.60 | NQ | NQ | |
| Nez Perce / Craigmont | \$5.75 | | \$4.82 | \$5.13 | \$5.73 | |
| Lewiston | \$6.25 | | \$5.08 | \$5.39 | \$5.99 | |
| Moscow / Genesee | \$5.75-6.00 | | \$4.85 – 4.98 | \$5.16-5.30 | \$5.76-5.90 | \$5.30 |

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 \$5.36 -5.65 max 10.5% pro \$6.66 - 6.98 | \$5.95½ – 6.00½ | \$6.31 - 6.66 | |
| Los Angeles | \$9.85-10.15 | | | NQ(12%) | | |
| Tulare | \$9.85-10.15 | | | | | |
| Ogden | \$6.90 | | \$5.53 | \$4.64 | \$5.70 | \$5.24 |
| Great Falls | \$5.00-5.25 | \$10.00 | | \$4.64-4.78 (12%) | \$5.15-5.39 | |
| Minneapolis | \$5.31 | NQ | | \$5.15½ | \$6.31-6.46 | |

Market trends this week

BARLEY - Local feed barley prices ranged from steady to minus 20 cents, but were mostly steady this week. Open market malting barley prices were steady this week. USDA reported barley exports of 700 MT last week to Taiwan and South Korea and export shipments of 400 MT to South Korea.

WHEAT – Wheat prices were higher this week: SWW prices ranged from 5 to 15 cents higher; HRW prices ranged from steady to 13 cents higher; and DNS prices ranged from 3 to 15 cents higher. USDA reported wheat export sales were above trade expectations last week at 550.3 TMT, up 54% from the previous week and 86% above the 4-week average. Wheat export shipments last week also were solid at 320.2 TMT, up 51% from the previous week but down 26% from the 4-week average.

Wheat competitor / buyer news – A USDA Ag Attache lowered the Australian wheat production estimate by 3 MMT to 24 MMT, which is in line with Australian estimates. Egypt purchased 240 TMT from France, Poland and Romania.

CORN – USDA reported corn export sales were well above trade expectations last week at 708.8 TMT, up noticeably from the previous week and up 34% from the 4-week average. Corn export shipments last week totaled 433.3 TMT, up 6% from the previous week but down 25% from the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported a decline in ethanol production last week as margins are squeezed – down 7,000 bbls per day or 0.74% from the previous week to 944,000 bbls, which is up 0.75% from the previous year. U.S. ethanol stocks fell slightly to 18.27 million bbls, down 3.2% from the previous week. Corn used to produce ethanol last week totaled 99.12 million bu, still running slightly below the 100.8 million bu pace needed to reach USDA's projection for MY 2015/16 of 5.25 billion bu.

Corn competitor / buyer news – The Buenos Aires Grains Exchange has pegged Argentina's 2015/16 corn plantings at 5.3 million hectares, down 12% from last year. However, if Mauricio Macri wins the presidential run-off election he has promised to immediately eliminate corn and wheat export taxes which might boost corn plantings. Brazil has reportedly export 5.1 MMT of corn this month – a new record – and at least one vessel is reportedly on its way to unload at the Port of Wilmington in North Carolina. Reports indicate that Chinese buyers have suspended any further purchases of U.S. DDGs as two Chinese ethanol companies have filed anti-dumping claims against U.S. product, which is weighly negatively on U.S. ethanol margins.

Futures Market trends this week

WHEAT – Wheat futures surged double digits higher on Monday, boosted by disappointing weekend rains in many dry winter wheat areas and a lower dollar. Wheat posted a bearish reversal lower on Tuesday as early gains from lower than expected winter wheat crop condition rating were erased into the close on pressures from forecasts showing good rain chances across dry areas of the Central Plains where at least one third of the winter wheat crop has not received sufficient rain for good emergence and stand establishment before the crop moves into dormancy. Prices continued to grind lower on Wednesday on improving chances of rain for key winter wheat areas, including the PNW which has been in the grips of a drought for two consecutive years. Wheat finished higher today (Thursday) on support from strong export sales and a lower dollar. **Wheat market closes on Thursday, 10/29/15...**

| | Dec 2015 | Weekly Summary | Mar 2015 | Weekly Summary | May 2016 | Weekly Summary |
|-------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
| Chicago SRW | \$5.15 | Up \$0.24½ | \$5.19½ | Up \$.22¼ | \$5.23½ | Up \$0.22 |
| KC HRW | \$4.88¼ | Up \$0.12¾ | \$5.04½ | Up \$0.13¾ | \$5.14½ | Up \$0.13½ |
| MGE DNS | \$5.21¼ | Up \$0.13¼ | \$5.33 | Up \$0.10¾ | \$5.42¼ | Up \$0.09 |

CORN – Corn futures began the week modestly higher on spillover support from wheat and a weaker dollar index. Gains were limited by disappointing export inspections. Corn posted a negative reversal lower on Tuesday under pressure from profit-taking and reports that a vessel of Brazilian corn was on its way to a North Carolina port this week. Prices settled lower again on Wednesday on weak technical and expectations that the final corn harvest will move quickly into commercial channels as farm storage is reportedly filling very fast. Corn finished moderately higher today (Thursday) on support from better than expected corn export sales. **Corn futures contract closes on Thursday, 10/29/15... Dec 2015 contract at \$3.80, up \$0.00¼ for the week, Mar. 2016 contract closed at \$3.89¾, up \$0.01 and the May 2016 contract closed at \$3.95¾, down \$0.01 for the week.**

CRUDE OIL – Crude oil futures trading continued to be choppy this week with pressure from a global supply glut and weak economic growth in China, somewhat offset by a lower dollar. DOE reported crude oil inventories increased by 3.338 million bbls, compared to an expected increase of 3.5 million bbls. Distillates decreased by 2.95 million bbls and gasoline stocks fell by 1.14 million bbls. DOE reported that supplies at Cushing OK fell by 2.95 million bbls. **Crude oil finished \$.12 higher on Thursday to close at \$46.06 – up \$1.46/bbl for the week.**

USDA Crop Progress / Condition Report, October 26, 2015

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|-----------------|--|--------------------------|--------------------------|--------------------------|-----------------------------------|---------------|---------------|
| US winter wheat | 83% planted 62% emerged | 76% 49% | 83% 65% | 85% 62% | 47% | NA | 59% |
| ID winter wheat | 94% planted 69% emerged | 89% 62% | 96% 65% | 96% 65% | 55% | NA | |
| Corn | 75% harvested | 59% | 44% | 68% | | | |

Weather/Crop Outlook –

- **U.S.** – Cooler and wetter conditions overspread the Pacific Northwest this week, easing severe drought conditions in parts of Washington, Oregon and northern Idaho. Isolated showers extended across the Central and Southern Plains, with heavier rains arriving later in the week. Showers were prevalent across the Ohio River Valley into the Eastern Corn Belt, disrupting corn harvest. **The 6-10 day outlook** – Near to above normal precipitation is expected nationwide with cooler than normal conditions across the Pacific Northwest and Intermountain region.
- **Black Sea** – After recent beneficial showers, conditions have turned cold and dry. It is estimated that at least 10% of the intended winter wheat acreage will not get planted before winter dormancy due to dry cold conditions.
- **Brazil** – Heavy monsoonal moisture has finally arrived across the northeastern / tropical growing regions, allowing soybean and corn planting to progress. A wetter pattern is in the extended forecast for the next 10 days. Excessive rain in the south is likely to cause a portion of their wheat crop to be downgraded to feed quality.
- **Argentina** – Expected beneficial showers across the northern production regions.
- **Australia** – Much of the winter grain crops should receive beneficial moisture this week.

IBC WEBINARS

- ♦ **2016 Malting Barley Endorsement Insurance - link to recorded webinar on our website at www.barley.idaho.gov**
- ♦ **El Nino Winter Outlook on Nov. 18 at 8:30 am** featuring Troy Lindquist, NWS Senior Hydrologist
- ♦ **2016 Grain Marketing Strategies on Dec. 16 at 8:30 am,** featuring Brian Rydlund, CHS Hedging