

Idaho Grain Market Report, November 19, 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, November 18, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	Barley (Cwt.) FEED	MALTING	Wheat (bu.) Milling			
	48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg/ Ririe/ Roberts	\$6.00		NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	\$9.30 - \$9.38	\$4.95-5.13	\$4.00-4.13	\$5.00-5.06	\$4.55-4.83
Blackfoot / Pocatello	NQ	\$9.00	\$4.95	\$4.00	\$5.00	\$4.55
Grace / Soda Springs	\$6.50		\$4.96	\$4.03	\$5.02	\$4.73
Burley / Rupert	\$6.00-6.80	\$9.38	\$5.00-5.30	\$3.94	\$4.80	\$4.54
Hazelton						
Twin Falls / Buhl / Wendell	\$6.40-7.00		\$5.03	NQ	NQ	
			Feed wheat			
			\$4.20			
Nampa – Weiser	\$6.76		\$5.52			
Nez Perce / Craigmont	\$5.50		\$4.52	\$4.70	\$5.52	
Lewiston	\$6.00		\$4.78	\$4.96	\$5.78	
Moscow / Genesee	\$5.50-6.00		\$4.55-4.69	\$4.73-5.01	\$5.55-5.70	\$4.87

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 \$4.83½ - 5.40 max 10.5% pro \$6.63½ - 6.73	\$5.58-5.68	\$6.10¼ - 6.50¼	
Los Angeles	\$9.35-9.70			NQ (12%)		
Tulare	\$9.35-9.70					
Ogden	\$7.00		\$5.30	\$4.30	\$5.42	\$5.04
Great Falls	\$5.25-5.75	\$10.00		\$4.39-4.48 (12%)	\$5.07-5.21	
Minneapolis	\$5.42	NQ		\$5.23¾	\$6.45 - 6.55	

Market trends this week

BARLEY - Local feed barley prices were mostly steady across the state. Open market malting barley prices were steady this week. USDA reported a net reduction in barley export sales last week of 1.5 TMT to Israel. Barley exports totaled 1.3 TMT to Israel, South Korea and Japan.

WHEAT – Wheat prices were mostly lower this week: SWW prices ranged from 1 to 12 cents lower; HRW prices ranged from minus 11 cents to plus 6 cents; and DNS prices ranged from minus 10 cents to plus 2 cents. USDA reported wheat export sales last week were better than expected at 721.9 TMT, up noticeably from the previous week and 4-week average. Wheat export shipments totaled 347 TMT, up 45% from the previous week and 46% from the 4-week average. **Informa is pegging 2016 winter wheat acres at 38.7 million, a cut of 1.2 million acres from 2015.**

Wheat competitor / buyer news – UkrAgroConsult is forecasting Ukraine's 2016 wheat crop will decline by 1.5 MMT to 17.5 MMT due to smaller winter plantings and poor germination (only 62% sprouted before winter dormancy). Strategie Grains has increased their EU wheat export estimate for 2015/16 by 300 TMT to 26.8 MMT, which is down from 32.5 MMT a year ago. They also hiked their soft wheat carryover estimate by 1.4 MMT to 19.8 MMT, up 46% from last year.

CORN – USDA reported corn export sales last week reached a marketing year high at 779.8 TMT, up significantly from recent weeks. Corn export shipments last week totaled 389 TMT, up 44% from the previous week but down 3% from the 4-week average. **Informa is pegging 2016 corn acres at 90.1 million, an increase of 1.7 million from 2015.**

Ethanol corn usage – DOE's Energy Information Agency reported a downtick in ethanol production last week – down 7,000 bbls per day or 0.7% from the previous week to 975,000 bbls, which is up 0.5% from the previous year. U.S. ethanol stocks continued to climb last week, increasing 2% to 19.25 million bbls, which is up 11% from the previous year. Corn used to produce ethanol last week totaled 102.38 million bu, above the weekly pace needed to reach USDA's projection for MY 2015/16 of 5.175 billion bu.

Corn competitor / buyer news – USDA announced a sale of 1.44 MMT of U.S. corn to Mexico this week (952.5 TMT in MY 15/16 and 487.68 TMT in MY 16/17). There was market chatter this week that Brazilian cash corn prices have moved higher, helping to market US corn prices more competitive on the world market.

Futures Market trends this week

MACROECONOMIC – All eyes have been on the dollar in recent weeks as investors position for an increasingly likely chance that the Federal Reserve will hike the short term federal borrowing rate at their December 17-18 meeting. Investors appeared to react positively to the FOMC's Oct. 27-28 meeting minutes released yesterday which shows strong suggestions that a December short term interest rate hike is likely but that the Fed will continue to take a very cautious approach to any further tightening down the road based on prevailing economic indicators for employment and inflation.

WHEAT – Wheat futures closed mixed to modestly lower on Monday, with support from short covering offset by dismal export inspections and pressure from a higher dollar. Wheat continued to grind lower on Tuesday in follow through selling triggered by significant precipitation expected across the winter wheat belt this week before the crop enters winter dormancy. Losses were extended on Wednesday under pressure from ample world stocks, slow U.S. exports and improving winter wheat crop conditions. Better than expected weekly export sales report today (Thursday) propelled wheat higher along with support from a lower dollar which is easing back from a 7month high recorded earlier in the week.

Wheat market closes on Thursday, 11/19/15...

	Dec 2015	Weekly Summary	Mar 2016	Weekly Summary	May 2016	Weekly Summary
Chicago SRW	\$4.90 ³ / ₄	Down \$0.05	\$4.92 ¹ / ₄	Down \$0.05 ¹ / ₂	\$4.95 ¹ / ₂	Down \$0.05 ³ / ₄
KC HRW	\$4.62 ¹ / ₂	Down \$0.03	\$4.76 ¹ / ₄	Down \$0.03 ¹ / ₂	\$4.86 ¹ / ₂	Down \$0.03
MGE DNS	\$5.08 ³ / ₄	Up \$0.04 ¹ / ₂	\$5.09 ³ / ₄	Up \$0.00 ¹ / ₂	\$5.19 ¹ / ₂	Up \$0.00 ¹ / ₄

CORN – Corn futures posted modest gains to start the week in mostly quiet trade with support from strong recovery in crude oil and equities. Short covering pushed prices modestly higher again on Tuesday, but gains were limited by a stronger dollar which reached a 7 month high. Corn settled mixed on Wednesday with upside support limited by soybean weakness. Corn settled modestly higher today (Thursday), boosted by stronger than expected corn export sales (highest weekly tally for the marketing year) and easing in the dollar index. **Corn futures contract closes on Thursday, 11/19/15... Dec 2015 contract at \$3.64¹/₄, up \$0.08 for the week, Mar. 2016 contract closed at \$3.70¹/₄, up \$0.04³/₄ and the May 2016 contract closed at \$3.75³/₄, up \$0.04 for the week.**

CRUDE OIL – Futures prices continued under pressure this week from burdensome crude oil stockpiles which have climbed to the highest seasonal level in 85 years. But a smaller than expected increase in weekly crude inventories helped support the market mid week. DOE reported crude oil inventories increased for the 8th consecutive week by 252,000 bbls, smaller than the expected increase of 2.0 million bbls. Distillates decreased by 791,000 bbls compared to an expected decline of 500,000 bbls and gasoline stocks increased by 1.009 million bbls compared to an expected decline of 400,000 bbls. **Crude oil slumped to a 3 month low on Thursday – closing down \$.20/bbl for the week to finish at \$40.54.** Crude oil prices have slumped 45 percent in the past year under the weight of a global supply glut and demand uncertainties in China, Japan and the EU. Current investor sentiment suggests that this global supply glut will persist and possibly worsen as Iran pressures OPEC to be allowed to increase their oil exports after the Iranian nuclear deal goes into effect next year and import sanctions are lifted by Western countries.

USDA Crop Progress / Condition Report, November 16, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
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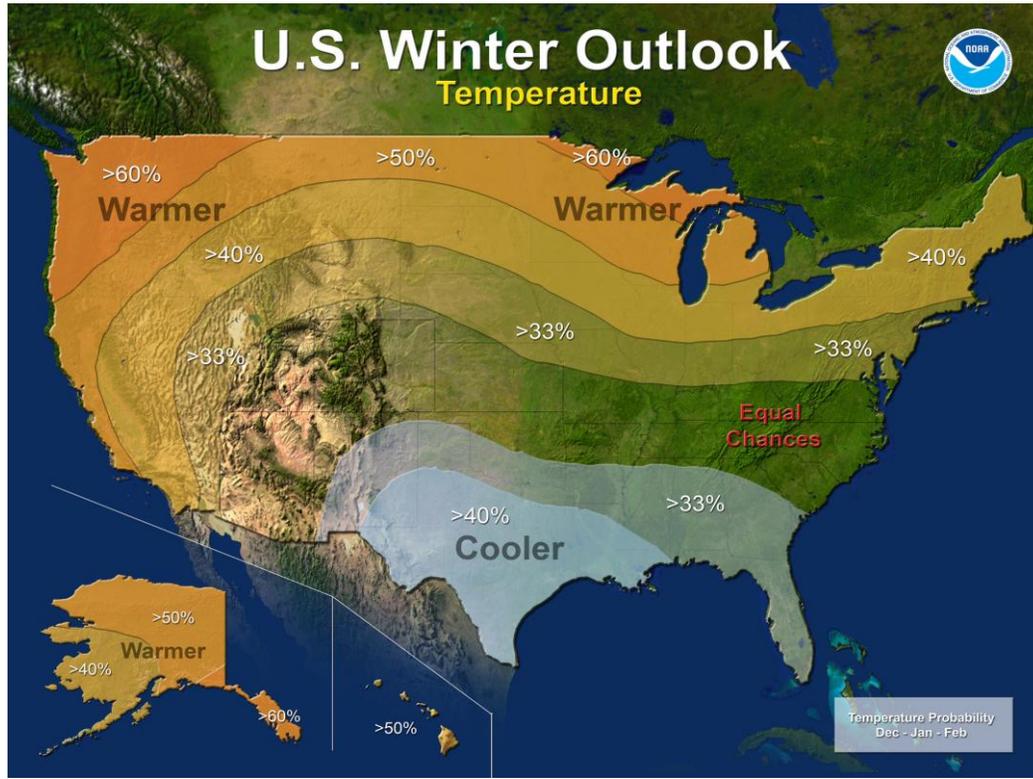
US winter wheat	94% planted 87% emerged	92% 80%	95% 86%	98% 86%	52%	51%	60%
ID winter wheat	100% planted 87% emerged	100% 86%	100% 96%	100% 95%	66%	66%	
Corn	96% harvested	93%	88%	94%			

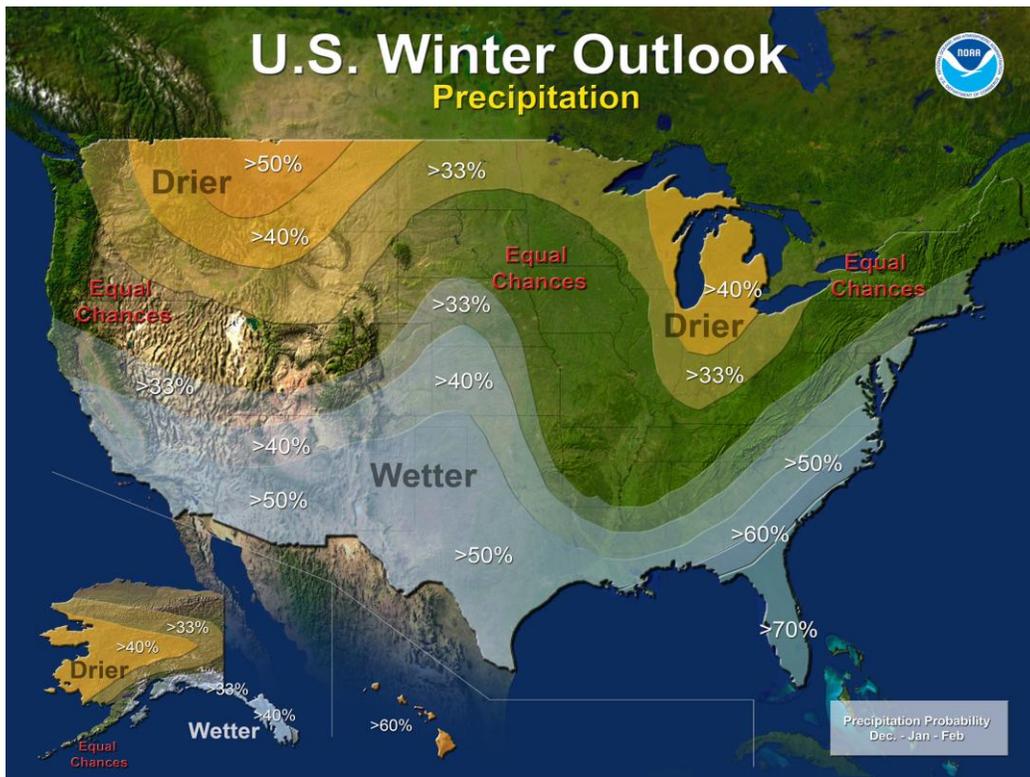
Weather/Crop Outlook

- PNW and Northern Rockies received beneficial rain and snow, helping to ease long-term drought conditions. A trough of low pressure moved through the Midwest this week drawing Gulf moisture into the Central and Southern Plains up into the Mississippi River Valley. The jet stream is also carving out a deep low pressure trough from the Canadian prairies into the Upper Midwest bringing the first hard freeze of the season. Some winter wheat may be exposed to sub-freezing temperatures but damage is not expected. **The 6-10 day outlook** – Colder than normal stretching from the Pacific Coast to the Northern Plains and near normal temps for the Midwest. Below normal precipitation for teh PNW and above normal precipitation for a wide belt from California into the Plains and Midwest.
- **Black Sea** –Russian Southern District and Volga winter wheat regions were receiving more beneficial moisture this week with some areas receiving 2-4 inches. Ukraine received lesser amounts but conditions are improving from the serious drought which gripped this region in October.
- **South America** – Southern Brazil and Argentine wheat areas continued to receive beneficial moisture this week.
- **Australia** – Eastern grain belt trended drier this week but another round of moisture is in the forecast for next week.

Troy Lindquist, NWS Senior Hydrologist, Boise, ID presented a webinar on Nov. 18, 2015 (link to recording can be found below). Summary points:

- El Nino episode is strong and mature (3rd strongest on record), likely to peak this winter and transition to ENSO Neutral phase in late spring or early summer.
- December – April period – drier and warmer than normal across PNW region, although there is a lot of variability between episodes in analogous years.
- NOAA NWS Seasonal Forecast is strongly dictated by El Nino episode: Below normal winter precipitation in mountains, warmer than normal temperatures could lead to early spring runoff (?), and continuation of drought conditions across the Pacific Northwest.
- Strongest El Nino effects over Central and Northern Idaho.





IBC WEBINARS

- **El Nino Winter Weather Outlook** presented by NWS Senior Hydrologist Troy Lindquist on Nov. 18, 2015. Link can be found at <https://vimeo.com/146130357>
- **2016 Malting Barley Revenue Endorsement Crop Insurance** presented by Dave Paul, Watt's & Associates on October 23, 2015. Link can be found at <https://vimeo.com/143410554>

IBC Crop Insurance & Crop Management Workshops – please pre-register by calling Idaho Barley Commission at 208-409-9165.

- Dec. 2** - Ashton Trails End Restaurant, 8:30 am - 11:30 am
Rigby Courthouse, 2:00 pm - 5 :00 pm
- Dec. 3** - Idaho Falls Extension Office, 8:30 am - 11:30 am
Soda Springs Extension Office, 2:00 pm - 5:00 pm
- Dec. 4** - Rupert Extension Office, 8:30 am - 11:30 am
Twin Falls Red Lion Hotel, 2:00 pm - 5:00 pm

Crop Insurance – Dave Paul, Watts & Associates; Dan Bramwell, Rain & Hail; Tracy Hawker, Hub International; Mark Andreasen, Mountain States Insurance and Heber Loughmiller, Leavitt Group

- NEW Malting Barley Endorsement insurance
- Whole Farm Revenue insurance
- Impacts of water cutbacks on irrigated coverage

Crop Management –

- **Achieving water use efficiency in an era of water cutbacks** – Extension Educators Jon Hogge and Carlo Moreno will present for Dr. Howard Neibling, UI Extension Water Engineer
- **Managing for disease pressures** – Dr. Juliet Marshall, UI Extension Cereal Pathologist/Agronomist