

Idaho Grain Market Report, January 7, 2016

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, January 6, 2016. 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	\$5.25-5.75		NQ	NQ	NQ	NQ
Idaho Falls	NQ	\$9.48 - \$9.50	\$4.60	\$4.20	\$4.80	\$4.65
Blackfoot / Pocatello	NQ	\$9.00	\$4.60	\$4.20	\$4.80	\$4.65
Grace / Soda Springs	\$6.60		\$4.69	\$3.97	\$4.87	\$4.57
Burley / Rupert	\$6.00	\$9.48	\$4.73-4.90	\$3.86	\$4.90	\$4.61
Hazelton						
Twin Falls / Buhl / Wendell	\$6.00-6.50		\$4.65	NQ	NQ	
			Feed wheat			
			\$4.00			
Nampa – Weiser	\$6.66		\$5.27			
Nez Perce / Craigmont	\$5.50		\$4.39	\$4.60	\$5.21	
Lewiston	\$6.00		\$4.65	\$4.86	\$5.47	
Moscow / Genesee	\$5.50-5.75		\$4.42–4.54	\$4.63-4.85	\$5.24-5.44	\$4.85

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 Jan . \$5.20– 5.22 ¾ max 10.5% pro \$6.12¾ -6.33	\$5.46 – 5.56	\$6.09¾ -6.29¾	
Los Angeles	\$9.80-10.00			NQ (12%)		
Tulare	\$9.80–10.00					
Ogden	\$7.15		\$5.00	\$4.27	\$5.27	\$5.00
Great Falls	\$5.25-5.75	\$10.00		\$4.38-4.40 (12%)	\$4.80-4.97	
Minneapolis	\$5.42	NQ		\$5.36	\$5.94¾ - 6.24¾	

Market trends this week

BARLEY – Idaho feed and malting barley prices were mostly steady during the extended holiday period. USDA reported there were no barley export sales last week and shipments totaled 500 MT to Japan.

WHEAT – Idaho wheat prices trended lower during the extended holidays. USDA reported wheat export sales last week were well below trade expectations at a marketing year low of 76.5 TMT. Wheat export shipments last week totaled 274.5 TMT, up 8% from the previous week but down 9% from the 4-week average.

Wheat competitor / buyer news – Argentine Ag Minister pegs their MY 2015-16 wheat crop at 10.9 MMT, with nearly 90% harvested but there are quality issues from excessive moisture last month with some reports that 80% of the crop may have been affected. There are also rumors of lower quality Argentinian wheat headed to the Southeastern U.S. feeding market. The EU granted export licenses for 369 TMT of wheat this week, bringing their cumulative wheat exports for the current marketing year to 12.8 MMT compared to 14.8 MMT for the same period in the previous year. Ukrainian UkrAgro Consulting raised their wheat export projection by 1 MMT to 14 MMT. Informa has pegged the Indian wheat crop at 85

MMT, down 4 MMT from their previous estimates due to unfavorable hot and dry conditions arising from El Niño impacts in the region. Other private sources peg their crop as low as 80 MMT.

CORN – USDA reported corn export sales last week were below trade expectations at 252.9 TMT, down 64% from the previous week and 68% above the 4-week average. Corn export shipments last week totaled 357.8 TMT, down 36% from the previous week and 39% from the 4-week average.

Ethanol corn usage – Despite declining processing margins, DOE's Energy Information Agency reported continued strong weekly ethanol production – up 4,000 bbls per day last week to 996,000 bpd, up 0.4% from the previous week and up 5% from the previous year. U.S. ethanol stocks surged to 21.1 million bbls, up 12% from the previous year and the biggest weekly gain in a year. Corn used to produce ethanol last week topped 104.6 million bu, above the weekly pace needed to reach USDA's projection of 5.2 billion bu for MY 2015/16.

Corn competitor / buyer news – Brazil posted record corn exports in December – totaling 6.267 MMT compared to 3.4 MMT for the same month a year ago. Brazilian officials have pegged exports for the year at 28.9 MMT, up from their previous record of 26 MMT posted in 2013. Reports this week that China has purchased 54 MMT of domestic corn from their 2015 crop, more than was planned for the first half of the year. The Buenos Aires Grain Exchange pegs 83% of the Argentine corn crop has been planted.

Futures Market trends this week

WHEAT – Wheat futures finished sharply lower on Monday, posting fresh contract lows under pressure from a stronger dollar and weak outside markets. Short covering pushed prices modestly higher on Tuesday and Wednesday, sparked by ideas that a cold snap in the Black Sea region may cause some winterkill damage. Wheat finished modestly higher Thursday boosted by continued short covering, despite disappointing export sales. **Wheat market closes on Thursday, 1/07/16...**

	<u>Mar 2016</u>	<u>Weekly Summary</u>	<u>May 2016</u>	<u>Weekly Summary</u>	<u>July 2016</u>	<u>Weekly Summary</u>
Chicago SRW	\$4.68½	Down \$0.01½	\$4.73¼	Down \$0.03¼	\$4.80½	Down \$0.02¾
KC HRW	\$4.72½	Down \$0.04	\$4.72½	Down \$0.06¼	\$4.82¼	Down \$0.06¼
MGE DNS	\$4.94¾	Up \$0.01½	\$5.01½	Down \$0.00½	\$5.10½	Down \$0.02

CORN – Corn futures started the week on the defensive – posting fresh contract lows - under pressure from negative outside markets and poor export demand. Corn chopped fractionally higher on Tuesday and Wednesday with support from short covering, but gains were limited by fears of aggressive Argentinian and Brazilian corn exports in the next several months. Corn finished fractionally lower to unchanged on Thursday under pressure from a collapse in the energy market. **Corn futures contract closes on Thursday, 1/07/16...** Mar. 2016 contract at \$3.53, down \$0.05¾ for the week, May 2016 contract closed at \$3.58½, down \$0.06 and the July 2016 contract closed at \$3.64½, down \$0.06 for the week.

CRUDE OIL – Crude oil trading continued to see high volatility tied to the stronger U.S. dollar, concerns about slowing Chinese economic growth and geopolitical tensions after Saudi Arabia cut diplomatic ties with Iran. An unexpectedly large increase in both gasoline and distillate inventories pushed prices below \$35/bbl this week. DOE's Energy Information Agency reported domestic crude oil stocks fell by 5.085 million bbls, compared to an expected increase of 439,000 bbls. By contrast, distillates increased by 6.308 million bbls, compared to an expected increase of 2.0 million bbls, while gasoline stocks increased by a whopping 10.576 million bbls, compared to an expected increase of 2.3 million bbls. **Crude oil closed lower Thursday - down \$3.77/bbl for the week at \$33.27/bbl.**

LINKS TO RECORDED WEBINARS

- **2016 Grain Marketing Strategies** presented by Brian Rydlund, CHS Hedging on December 16, 2015. Link can be found at <https://vimeo.com/149175681>
- **El Niño 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 22, 2015. Link can be found at <https://vimeo.com/143410554>

