

Idaho Grain Market Report, January 14, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 13, 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	\$6.00		\$4.73	\$4.16	\$4.94	\$4.81
Idaho Falls	NQ	\$9.38 - \$9.50	\$4.75-4.98	\$4.25-4.60	\$5.00-5.05	\$4.80-4.91
Blackfoot / Pocatello	NQ	\$8.50	\$4.75	\$4.60	\$5.05	\$4.80
Grace / Soda Springs	\$6.75		\$4.91	\$4.20	\$5.09	\$4.80
Burley / Rupert	\$6.00	\$9.38	\$4.95	\$3.96	\$5.05	\$4.71
Hazelton						
Twin Falls / Buhl / Wendell	\$6.00-6.50		\$4.80	NQ	NQ	
			Feed wheat			
			\$4.00			
Nampa – Weiser	\$6.66		\$5.43			
Nez Perce / Craigmont	\$5.50		\$4.52	\$4.75	\$5.32	
Lewiston	\$6.00		\$4.78	\$5.01	\$5.58	
Moscow / Genesee	\$5.50-5.75		\$4.55-4.65	\$4.78-5.00	\$5.35-5.54	\$5.00

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 . \$5.30- 5.38 max 10.5% pro \$6.28 -6.45	\$5.61-5.71	\$6.05 -6.25	
Los Angeles	\$9.80-10.00			NQ (12%)		
Tulare	\$9.80-10.00					
Ogden	\$7.25		\$5.30	\$4.50	\$5.40	\$5.01
Great Falls	\$5.25-5.75	\$10.00		\$4.53-4.57 (12%)	\$4.91-5.02	
Minneapolis	\$5.42	NQ		\$5.51	\$5.95-6.25	

Market trends this week

BARLEY – Idaho feed barley prices were mostly steady to 10 cents higher this week. Idaho malting barley prices were steady to 50 cents lower. USDA reported there were no barley export sales last week and shipments totaled 200 MT to Taiwan.

BARLEY Quarterly Stocks & Monthly S&D Projections - Quarterly U.S. barley stocks are pegged at 181 million bu, up 16% from a year ago. The Sept. – Nov. 2015 indicated disappearance is 37.8 million bu, up 60% from the same period a year earlier. **Idaho barley stocks are pegged at 40.3 million bu, up 2% from a year ago.** USDA made only minor tweaks to their monthly barley S&D balance sheet – increasing U.S. barley exports by 2 million bu to 12 million bu and cutting ending stocks by an equal amount to 95 million bu. The average farm-gate price is adjusted slightly higher to \$5.00-5.50/bu.

WHEAT – Idaho wheat prices were higher this week: SWW prices ranged from 11 to 22 cents higher; HRW prices ranged from 15 to 40 cents higher; and DNS prices ranged from 10 to 25 cents higher. USDA reported wheat export sales

last week were within trade expectations at 290.7 TMT (274.7 TMT for MY 2015/16 and 16 TMT for MY 2016/17), up noticeably from the previous week but down 3% from the 4-week average. Cumulative wheat export sales now tally 73.9% of the USDA estimate for the year, compared to a 5-year average of 75.1%. Wheat export shipments last week also were marketedly better at 552.2 TMT, up noticeably from the previous week and up 74% from the 4-week average.

WHEAT 2016 Winter Wheat Acreage, Quaterly Stocks and Monthly S&D Projections – USDA released a surprisingly bullish 2016 winter wheat seedings estimate of 36.609 million acres, down 7% from the previous year and 2.7 million ac BELOW the pre-report trade expectations. If realized, this would be the smallest U.S. winter wheat acreage since 2010. HRW acres were pegged at only 26.5 million acres, down from 29.0 million ac last year and possibility the smallest HRW seedings since 1957. **Idaho winter wheat acres are pegged at 780,000, up 4% from last year.** Quarterly wheat stocks are pegged at 1.74 billion bu, up 14% from the previous year and higher than pre-report trade expectations of 1.698 billion bu. The Sept. – Nov. 2015 indicated disappearance is 359 million bu, down 5% from the same period a year earlier. **Idaho wheat stocks are pegged at 55.5 million bu, up 11% from a year ago.** USDA tweaked their monthly wheat S&D balance sheet, cutting imports by 5 million bu to 120 million bu, cutting seed use by 6 million bu to 66 million bu and cutting feed usage by 30 million bu to 150 million bu, resulting in a 30 million bu increase in ending stocks to 941 million (bearish stocks-to-use of 47.5%). The average farm-gate price is tightened to \$4.90-5.10/bu. **World wheat ending stocks are increased by 2.2 MMT this month to 232 MMT, up 9% from last year and ABOVE trade expectations of 229 MMT.**

Wheat competitor / buyer news – The EU granted export licenses for 754 TMT of wheat this week, bringing their cumulative wheat exports to 13.5 MMT compared to 15.3 MMT a year ago. The French increased their estimate of wheat ending stocks from 5.2 MMT to 5.8 MMT this week, compared to 2.5 MMT last year. Russian government is expected to cut their wheat export tax by the end of the month. Rosario Grain Exchange pegs the Argentine wheat crop at 9.6 MMT, compared to USDA's latest estimate of 10.5 MMT. South Korean millers bought 80 TMT of Australian wheat this week.

CORN – USDA reported corn export sales last week were slightly above trade expectations at 669.2 TMT, up noticeably from the previous week and up 14% from the 4-week average. Cumulative corn export sales now tally 48.9% of the USDA estimate for the year, compared to a 5-year average of 63.2%. Corn export shipments were stronger last week at 638.2 TMT, up 78% from the previous week and 14% from the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported continued strong weekly ethanol production – up 7,000 bbls per day last week to 1.003 million bpd, up 0.7% from the previous week and up 3% from the previous year. U.S. ethanol stocks remained high at 21.3 million bbls, up 6% from the previous year. Corn used to produce ethanol last week totaled 105.3 million bu, above the weekly pace needed to reach USDA's projection of 5.2 billion bu for MY 2015/16.

CORN Quarterly Stocks, Final 2015 Corn Production & Monthly S&D Projections- USDA reports are considered mostly supportive, with lower than expected final yield, production and quarterly stocks. Quarterly corn stocks are pegged at 11.21 billion bu, up slightly from a year ago but below pre-report trade expectations of 11.24 billion bu. The Sept. – Nov. 2015 indicated disappearance is 4.12 billion bu, down 3% from the same period a year earlier. The USDA pegged final 2015 U.S. corn production at 13.601 billion bu, down 53 million bu from last month, and BELOW pre-report trade expectations of 13.65 billion bu. The final 2015 average corn yield was cut by 0.9 bpa to 168.4 bpa. In their monthly corn balance sheet, USDA increased imports by 10 million bu to 40 million bu, cut food and industrial usage by 10 million bu to 6.57 billion bu and cut exports by 50 million bu to 1.7 billion bu, resulting in a **17 million bu increase in corn ending stocks to 1.802 billion bu.** This was ABOVE pre-report trade expectations of 1.785 billion bu. The average farm-gate price of corn is tightened to \$3.30-3.90/bu. **World corn ending stocks are cut by 2.9 MMT this month to 208.9 MMT, (up 0.8% from a year ago) and are BELOW trade expectations of 212.5 MMT.**

Corn competitor / buyer news – Argentine government has approved export licenses for 7 MMT of corn since Christmas and has eliminated the export tax. Rosario Grain Exchange pegs the Argentine corn crop at 23.8 MMT, up from their earlier estimate of 20.2 MMT. USDA left their estimate for Argentine corn production unchanged this week at 25.6 MMT. Brazil's domestic corn prices are rising and rumors that southern Brazilian livestock producers may be importing Argentine corn are indications that they may be oversold in the export market. India has tendered for their first corn imports in several years, with Ukrainian corn the reportedly cheapest offer.

Futures Market trends this week

WHEAT – Wheat futures fell sharply on Monday, under continued pressure from a firm dollar and volatility in outside markets. Wheat bounced sharply higher on Tuesday, boosted by a significantly lower than expected 2016 winter wheat seedings estimate from USDA. Profit-taking drove prices lower on Wednesday, with notable concerns about future Asian demand off the PNW as economic growth slows in this region. Wheat continued to struggle today (Thursday), closing lower under pressure from sluggish export sales pace and ample world stocks. **Wheat market closes on Thursday, 1/14/16...**

	Mar 2016	<u>Weekly Summary</u>	May 2016	<u>Weekly Summary</u>	July 2016	<u>Weekly Summary</u>
Chicago SRW	\$4.68¾	Down \$0.09¾	\$4.74¼	Down \$0.09½	\$4.80½	Down \$0.09¾
KC HRW	\$4.68½	Down \$0.14	\$4.78¾	Down \$0.03¾	\$4.88¼	Down \$0.04
MGE DNS	\$4.92½	Down \$0.07½	\$4.99½	Down \$0.08½	\$5.07½	Down \$0.09¼

CORN – Corn futures opened the week lower under pressure from continued meltdown in energies and a higher dollar which makes U.S. corn more expensive on world markets. Corn reversed higher on Tuesday on support from friendly USDA quarterly stocks and production reports and spillover from wheat's rally. Corn finished modestly higher on Wednesday in choppy two-sided trading action. Gains were limited by spillover pressure from a wheat reversal and profit-taking. Corn posted fractional losses today (Thursday) in continued choppy two sided trading. Better than expected export sales and a recovery in crude oil were positive signals but a stronger dollar and aggressive South American corn exports will likely keep a lid on corn prices for now. **Corn futures contract closes on Thursday, 1/14/16... Mar. 2016 contract at \$3.58, up \$0.01 for the week, May 2016 contract closed at \$3.62¾, unchanged and the July 2016 contract closed at \$3.68¾, down \$0.00¾ for the week.**

CRUDE OIL – Crude oil fell to a 12 year low this week, undercut by a stronger dollar and concerns about Chinese/ Asian economic growth prospects. Continued large product inventories also weighed on the market this week. DOE's Energy Information Agency reported domestic crude oil stocks increased by 234,000 bbls, compared to an expected increase of 2.5 million bbls. Distillates increased by 6.136 million bbls, compared to an expected increase of 2.0 million bbls, while gasoline stocks increased by 8.438 million bbls, compared to an expected increase of 2.7 million bbls. **Crude oil closed \$0.72 higher on Thursday, but down \$1.96/bbl for the week at \$31.20/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>
- **EI 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 22, 2015. Link can be found at <https://vimeo.com/143410554>