

ho Grain Market Report, February 11, 2016

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, February 10, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED</b>	<b>MALTING</b>	<b>Wheat (bu.) Milling</b>			
	<b>48 lbs or better</b>	<b>Open market malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg / Ririe	\$6.00		\$4.50	\$4.00	\$4.70	\$4.50
Idaho Falls	\$6.25	\$9.38 - \$9.50	\$4.50-4.51	\$4.00	\$4.75-4.95	\$4.25-4.54
Blackfoot / Pocatello	NQ	\$8.50	\$4.50	\$4.00	\$4.75	\$4.25
Grace / Soda Springs	\$6.50		\$4.56	\$3.96	\$4.84	\$4.41
Burley / Rupert	\$6.00	\$9.38	\$4.46-4.65	\$3.70	\$4.61	\$4.41
Hazelton						
Twin Falls / Buhl / Wendell	\$6.20-6.50		\$4.50	NQ	NQ	
			<b>Feed wheat</b>			
			\$4.00			
Nampa – Weiser	\$6.71		\$5.10			
Nez Perce / Craigmont	\$5.35		\$4.32	\$4.56	\$5.13	
Lewiston	\$5.85		\$4.58	\$4.82	\$5.39	
Moscow / Genesee	\$5.35-5.75		\$4.35–4.48	\$4.59-4.68	\$5.16-5.35	\$4.68

**Prices at Selected Terminal Markets, cash prices FOB**

	<b>#2 Feed 46 lbs. -- unit trains barge</b>	<b>Malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			Ord protein Mar \$5.21¼ -5.27 <b>max 10.5% pro</b> Feb \$6.00-6.16¼	\$5.39¾–5.54 ¾	\$6.01- 6.16	
Los Angeles	\$9.80-10.00			NQ (12%)		
Tulare	\$9.80–10.00					
Ogden	\$7.25		\$4.84	\$4.27	\$5.17	\$4.97
Great Falls	\$5.50-5.75	\$10.00		\$4.23-4.30 (12%)	\$4.77–4.96	
Minneapolis	\$5.21	NQ		\$4.94¾	\$5.81	

**Market trends this week**

**BARLEY** – Idaho feed and malting barley prices were steady this week. USDA reported there were no barley export sales last week and shipments of 400 MT to Japan and Taiwan.

**BARLEY S&D Projections for Feb. 9, 2016 -** USDA made only very minor tweaks to their monthly barley S&D balance sheet – increasing U.S. barley imports by 1 million bu to 18 million bu and increased ending stocks by an equal amount to 96 million bu. The average farm-gate price is adjusted higher to \$5.30-5.70/bu.

**WHEAT** – Idaho wheat prices were lower this week: SWW prices ranged from 10 to 30 cents lower; HRW prices ranged from 8 to 23 cents lower; and DNS prices ranged from 10 to 40 cents lower. USDA reported up 6% wheat export sales were within trade expectations last week at 263.3 TMT (plus 36 TMT for MY 15/16), up noticeably from the previous week and up 6% from the 4-week average. Cumulative wheat export sales have reached 80.8% of the revised USDA estimate for the year, compared to a 5-year average of 82.8%. Wheat export inspections were better at 376.5 TMT, up 64% from the previous week and 11% from the 4-week average.

**WHEATS&D Projections for Feb. 9, 2016** – Bearish U.S. and world ending stocks...USDA cut wheat exports by 25 million bu to 775 million bu (41 year low) and increased ending stocks by an equal amount to 966 million bu, which was ABOVE the average pre-report trade estimate of 947 million bu. The average farm-gate price was left unchanged at \$4.90-5.10/bu. **World wheat production was increased by .4 MMT this month to 735.8 MMT, up 1.4% from last year. World wheat ending stocks were increased by 6.8 MMT this month to 238.9 MMT, above pre-report trade estimates of 231.5 MMT and up 11% from last year. Almost all of that increase came in Chinese stocks which were raised by 6.3 MMT to 93.6 MMT, due to lower expected feed wheat usage.**

**Wheat competitor / buyer news** –USDA raised their Canadian wheat export estimate by 1.5 MMT this month to 22 MMT, which would make Canada the 2<sup>nd</sup> largest exporter in the world, behind the EU. USDA also raised their Argentine wheat production estimate this month by 0.5 MMT to 11.0 MMT and exports by an equal amount to 6.5 MMT. The EU granted export licenses for 629 TMT of wheat this week, bringing cumulative wheat exports to 17.8 MMT, down 12% from the same period a year ago.

**CORN** – USDA reported corn export sales were well below trade expectations at 405 TMT, down 64% from the previous week and 57% from the previous 4-week average. Cumulative corn export sales have reached 58.8% of the revised USDA estimate for the year, compared to a 5-year average of 71.6%. Corn export inspections totaled 528.7 TMT, down 20% from the previous week and 16% from the 4-week average.

**CORN S&D Projections for Feb. 9, 2016** – Bearish ending stocks...USDA increased imports by another 10 million bu to 50 million bu, increased ethanol usage by 25 million bu to 5.225 billion bu and cut exports by another 50 million bu to 1.65 billion bu, resulting in a **35 million bu increase in corn ending stocks to 1.837 billion bu.** This was ABOVE pre-report trade expectations of 1.809 billion bu. The average farm-gate price of corn was tightened to \$3.35-3.85/bu. **World corn production was increased by 2.2 MMT this month to 970.1 MMT, down 4% from a year ago. World corn ending stocks were cut slightly to 208.8 MMT this month, up 1.2% from a year ago, and are slightly ABOVE trade expectations of 208.25 MMT.**

**Ethanol corn usage** – DOE's Energy Information Agency reported a 10,000 bpd uptick in weekly ethanol production to 969,000 bpd, up 1% from the previous week and up 0.8% from the previous year. U.S. ethanol stocks jumped by another 3% to 22.96 million bbls, which is up nearly 9% from the previous year. Corn used to produce ethanol last week totaled 101.75 million bu, still above the weekly pace needed to reach USDA's revised projection of 5.225 billion bu for MY 2015/16.

**Corn competitor / buyer news** – Weather conditions are improving in both Brazil and Argentina as corn harvest begins (Brazilian first crop corn estimated to be 10% cut, in line with last year's pace). USDA raised their Brazilian corn estimate from 81.5 MMT to 84 MMT and their Argentine estimate from 25.6 MMT to 27 MMT. There was talk this week of EU feeders trying to cancel Ukrainian corn purchases in favor of plentiful domestic feed wheat supplies. India tendered for 240 TMT of optional origin corn this week.

#### Futures Market trends this week

**WHEAT** – Wheat posted fresh contract lows on Monday under pressure from negative outside markets, European milling wheat contract lows and expectations of increased ending stocks in Tuesday's monthly supply and demand report. Prices closed fractionally mixed to higher on Tuesday with from a bearish USDA domestic stocks estimates (966 million bu versus expected 947 million bu) and a larger than expected hike in world ending stocks. Wheat closed mixed to modestly higher on Wednesday in an oversold bounce. Wheat markets closed fractionally mixed to lower today (Thursday) under pressure from lackluster export sales, reports of some rain potential in dry areas of India and Morocco and very bearish outside market sentiment. Underlying support came from concerns about a cold snap in the Central Belt this weekend, along with Kansas State Univ. vegetative maps which indicate there may have been some freeze damage from a cold snap earlier this winter on fields that lacked protective snow cover. Most areas appear to have adequate snow cover heading into this weekend's subzero temperatures. **Wheat market closes on Thursday, 2/11/16...**

	<b>Mar 2016</b>	<b>Weekly Summary</b>	<b>May 2016</b>	<b>Weekly Summary</b>	<b>July 2016</b>	<b>Weekly Summary</b>
Chicago SRW	\$4.58¾	Down \$0.08½	\$4.63½	Down \$0.07	\$4.68¾	Down \$0.07
KC HRW	\$4.44	Down \$0.10	\$4.53¾	Down \$0.09¾	\$4.64¼	Down \$0.08¾
MGE DNS	\$4.86¼	Down \$0.05	\$4.90¾	Down \$0.06	\$4.99½	Down \$0.04½

**CORN** – Corn futures opened the week modestly lower - settling to 3 week lows - under pressure from weak energies and equities. Corn posted modest losses on Tuesday in choppy trading after USDA dished up a bearish ending stocks

estimate, which came in higher than pre-report trade expectations (1.837 billion bu vs. expected 1.809 billion bu). Corn prices chopped fractionally lower on Wednesday for the 6<sup>th</sup> consecutive day in follow through technical weakness. Corn finished fractionally lower in two-sided action today (Thursday) under pressure from disappointing export sales and negative outside markets. **Corn futures contract closes on Thursday, 2/11/16.. Mar. 2016 contract at \$3.60¼, down \$0.05½ for the week, May 2016 contract closed at \$3.65, down \$0.05¾ for the week and the July 2016 contract closed at \$3.69¾, down \$0.06¼ for the week.**

**CRUDE OIL** – Crude oil continued to grind sharply lower this week – falling to 13 year lows – on turmoil in the Chinese market and further signs that a coordinated production cut from OPEC countries remains elusive after a meeting last weekend spearheaded by the Venezuelan oil minister failed to reach any consensus on lower production quotas to boost prices. However there was market chatter late Thursday that OPEC members may be moving closer to an agreement on a coordinated production cut. DOE's Energy Information Agency reported domestic crude oil stocks fell last week by 754,000 bbls, compared to an expected increase of 3.2 million bbls. Distillates increased by 1.281 million bbls, compared to an expected increase of 1.5 million bbls and gasoline stocks increased by 1.258 million bbls, compared to an expected increase of 1.0 million bbls. **Crude oil prices closed at \$26.21/bbl on Thursday, down \$4.68 for the week.**

**Lastest on weakening El Niño** - NOAA Climate Prediction Center says a strong El Niño event continues to linger, but it continues to call for a transition to ENSO-neutral conditions this spring or early summer, with a possible transition to La Niña during the fall. While there is both model and physical support for La Niña following strong El Niño, considerable uncertainty remains. A transition to ENSO-neutral is likely during late Northern Hemisphere spring or early summer 2016, with a possible transition to La Niña conditions during the fall. **For the PNW some weather models indicate a neutral ENSO phase during the summer growing period would favor warmer and drier than normal conditions versus a La Niña during the growing season favoring cooler than normal temperatures and average rainfall.**

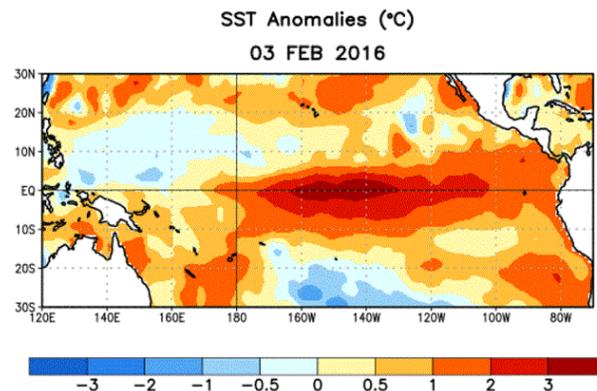


Figure 1. Average sea surface temperature (SST) anomalies (°C) for the week centered on 3 February 2016. Anomalies are computed with respect to the 1981-2010 base period weekly means.

## REGISTER NOW for these premier Eastern Idaho educational events ...

### **Direct Seed Workshop, Wednesday, Feb. 24, 9 a.m. to 2:30 p.m. at Idaho Falls Shiloh Inn Conference Center sponsored by the Idaho Wheat Commission.** Topics include:

- Grower panel on the basics of direct seeding
- Cropping systems strategy with Aaron Esser of Washington State University Extension
- Ristant weeds in no-till systems with Don Morishita of University of Idaho Extension
- Disease control in no-till systems with Juliet Marshall of University of Idaho Extension
- Panel on crop rotation in no-till systems, including Marlon Winger of NRCS
- Water in no-till systems with Howard Neibling of University of Idaho Extension

**Registration fee is \$10.00. RSVP to [ts@idahowheat.org](mailto:ts@idahowheat.org) or (208) 334-2353.**

### **Intermountain Ag Tech Conference, March 8, 8:30 a.m. to 5 p.m. at ISU Performing Arts Center.** Registration materials can be found at [www.intermountainagtech.com](http://www.intermountainagtech.com)

## AG TECH 2016 PROGRAM

**7:30-8:30 a.m.: Registration**, continental breakfast, time for exhibits.

**8:30-9:45 a.m.:** Featured Speaker. Dr. Danny Klinefelter, Director of the Executive Program for Agricultural Producers at Texas A&M University and Executive Secretary for the Association of

Agricultural Production Executives (AAPEX). Presentation: "How to guarantee your farm will fail, and how to use technology to ensure it will succeed."

10:15-11:15 a.m.: Featured Speaker. Adam Litle, Granular. Granular is a leader of agricultural software and analytics. They believe that great technology in the hands of innovative farmers will help agriculture respond quickly to the challenges and opportunities of the future. Adam leads the team responsible for delivering Granular customers the best possible experience.

11:30 a.m.-12:30 p.m.: Featured Speaker. Jeff Manning. The guy who created the "Got Milk?" campaign talks about using technology to make basic food products a Big Deal.

12:30-1:30 p.m.: Lunch with guest speaker. Robert Blair, VP-Agriculture, Measure. Blair, known on his blog as "The Unmanned Farmer," will talk about how unmanned technology will change the agribusiness world, including how drones work with existing precision equipment.

1:45-3 p.m.: Breakout sessions:

**Breakout No. 1: Automated technologies you can use today, and what's coming soon. Moderator: Matthew Balderree, Chief of Unmanned Aircraft Systems, Idaho National Laboratory.** Panelists: Kraig Schulz, Autonomous Tractor Corp.; Jeff Burton, AutoProbe Technologies; John Bruce, Farb Guidance Systems; Representative of Empire Unmanned (TBA).

**Breakout No. 2: From the laboratory to the field: A Discussion with Idaho research scientists. Moderator: Lance Ellis, University of Idaho.** Panelists: Dr. Jianli Chen, University of Idaho; Howard Neibling, University of Idaho Extension; Dr. Cathy Wilson, Idaho Wheat Commission; Dr. Olga Walsh, University of Idaho.

3:15-4:30 p.m.: Breakout sessions:

**Breakout No. 1: Technology's role in food safety and quality from the producers' point of view. Moderator: Laura Johnson, Idaho State Department of Agriculture.** Panelists: Josh Webb, Business Manager, Heglar Creek Group; Derik Robinson, CFO, High Desert Milk; Amy Childress, Vice President of Marketing and Business Development, PakSense.

**Breakout No. 2: Threats and opportunities technology presents to Idaho's future farmers. Moderator: Remington Kendall, Simplot.** Panelists: Frank Muir, Idaho Potato Commission; Adam Litle, Granular; Joe Guenther, University of Idaho.

**4:30-5 p.m.:** Closing speaker, Wade Small, President, AgriBeef Livestock Division