

Idaho Grain Market Report, April 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, April 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	\$5.25-5.80		\$3.83-4.20	\$3.66	\$4.86	\$4.31-4.45
Idaho Falls	\$6.00	\$9.10 - \$9.38	\$3.80-3.95	\$4.30	\$4.90	\$4.45
Blackfoot / Pocatello	NQ	\$8.15	\$3.95	\$4.30	\$4.90	\$4.45
Grace / Soda Springs	\$6.75		\$3.92	\$3.88	\$4.97	\$4.53
Burley / Rupert	\$6.00	\$9.38	\$3.850	\$3.76	\$4.76	\$4.41
Hazelton						
Twin Falls / Buhl / Wendell	\$5.90-6.10		\$4.10	NQ	NQ	
Nampa – Weiser	\$5.98		\$4.41			
Nez Perce / Craigmont	\$5.25		\$4.17	\$4.43	\$5.23	
Lewiston	\$5.75		\$4.43	\$4.69	\$5.49	
Moscow / Genesee	\$5.25-5.75		\$4.20–4.34	\$4.46-4.65	\$5.26-5.40	\$4.65

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 - No bid Max 10.5% pro- \$5.38-5.43	\$5.38¼ –5.41¼	\$6.11½ - 6.16½	
Los Angeles	\$9.75-9.95			NQ (12%)		
Tulare	\$9.75–9.95					
Ogden	\$7.15		\$4.30	\$4.34	\$5.25	\$5.05
Great Falls	\$5.00-5.50	\$10.00		\$4.20-4.29 (12%)	\$4.82–5.06	
Minneapolis	\$5.10	NQ		\$5.06¼	\$6.06½	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 25 cents lower this week, while open market malting barley prices were mostly steady. USDA reported barley export sales last week totaled 100 MT to South Korean (plus MY 16/17 sales of 1.1 TMT to Japan). There were no barley export shipments last week.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from plus 6 cents to minus 6 cents; HRW prices ranged from 5 to 6 cents lower; and DNS prices ranged from plus 10 cents to minus 4 cents. USDA reported wheat export sales last week hit a marketing year low at a net reduction of 58.1 TMT (plus 159.3 TMT for MY 2016/17), down noticeably from the the previous week and previous 4-week average. Wheat export shipments last week were stronger at 392.7 TMT, up 15% from the previous week and 3% from the 4-week average.

Wheat Competitor / Buyer News – Trade estimates are projecting a lower Black Sea wheat crop this year...SovEcon is projecting 2016 Russian wheat production will decline from 62 MMT last year to 57 MMT this year. Ukrainian sources also are predicting a smaller wheat crop in the range of 17 to 18.5 MMT, compared to 26.5 MMT last year. However, favorable spring moisture may lead to an increase in spring seedings. The Romanian wheat crop is pegged at 5 MMT compared to 7.85 MMT in 2015. USDA Ag Attache is projecting Argentine wheat production will increase from 11 MMT in 2015/16 to 14 MMT in 2016/17 due to more favorable government policies which have slashed burdensome export taxes.

CORN – USDA reported corn export sales were on the high end of trade expectations last week at 945.2 TMT (plus 175.1 TMT for MY 2016/17), up 20% from the previous week but down 5% from the previous 4-week average. Corn export shipments last week reached another marketing year higher at 1.138 MMT, unchanged from the previous week but up 12% from the previous 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported a bearish downtick in U.S. ethanol production last week to 976,000 bpd, down 19,000 bbls or 1.6% from the previous week but still 4.3% higher than the previous year. U.S. ethanol stocks fell by nearly 4% to 22.2 million bbls, the biggest drop in eight months but still nearly 9% above the previous year. U.S. ethanol exports have been on the decline in recent months, with February exports down 20% from the previous month and down 20% from the same month a year ago. Corn used to produce ethanol last week totaled 102.48 million bu, with cumulative use now totaling 3.13 billion 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 – Brazil exported 2.024 MMT of corn in March, up sharply from 675.4 TMT for the same month a year ago, but down from 5.37 MMT in February. USDA Ag Attache is projecting Brazilian corn production will continue to increase – pegging 2015/16 crop at 85 MMT and the 2016/7 crop at 86 MMT. Argentine corn production is pegged at 27.0 MMT in 2015/16 and 31.5 MMT in 2016/17, due to government policies which have slashed export taxes and quotas. South Korea bought 272 TMT of U.S. corn this week. USDA is pegging Ukrainian corn crop will be about 10% bigger in 2016/17 at 25.6 MMT.

Futures Market trends this week

WHEAT – Wheat markets opened the week mixed in choppy two-sided trading in anticipation of USDA’s first national average winter wheat crop rating of the new crop season (delayed until Tuesday). Prices moved modestly lower on Tuesday under profit-taking pressures triggered by a higher dollar and updated forecasts showing improved moisture across the Plains in the extended outlook. Wheat posted sharp losses on Wednesday – closing down double digits in reaction to a better than expected winter wheat crop rating of 59% compared to trade expectations of 57%. USDA showed much of the winter wheat crop survived the winter in good shape, with the strongest ratings for KS, OK, TX in several years. PNW (WA,OR,ID) winter wheat crops showed strong improvement from a year ago. KS topsoil moisture was rated 53% short/very short (nearly the worst in the country) with increasing wildfire risks. Wheat extended its losses on Thursday, finishing solidly lower on pressure from short term bearish weather forecasts and very disappointing weekly export sales. **Wheat market closes on Thursday, 4/07/16...**

	May 2016	Weekly Summary	May 2016	Weekly Summary	July 2016	Weekly Summary
Chicago SRW	\$4.57	Down \$0.18 ³ / ₄	\$4.64 ¹ / ₂	Down \$0.18 ¹ / ₂	\$4.74 ¹ / ₄	Down \$0.18 ¹ / ₄
KC HRW	\$4.54 ¹ / ₄	Down \$0.23 ¹ / ₂	\$4.65 ¹ / ₂	Down \$0.13	\$4.80	Down \$0.022 ¹ / ₂
MGE DNS	\$5.13 ¹ / ₂	Down \$0.15 ¹ / ₂	\$5.22 ¹ / ₄	Down \$0.15 ³ / ₄	\$5.32	Down \$0.15

CORN – Corn traded fractionally higher to mostly unchanged on Monday, with underlying support from better than expected weekly export shipments and a relatively slow planting pace across the south due to recent cold wet weather. Corn settled modestly higher on Tuesday in fairly active trading in the face of improving technicals (unwinding short corn/long soybean positions) and ideas that as much as 1 to 2 million acres of intended corn acres could shift to soybeans due to delayed planting in several areas. Light short covering extended modest gains on Wednesday. Corn finished modestly higher on Thursday as traders begin to focus on potential acreage shifts and the increasing possibility of dry conditions during pollination this summer. **Corn futures contract closes on Thursday, 4/07/16... May 2016 contract at \$3.61¹/₂, up \$0.07¹/₂ for the week, July 2016 contract closed at \$3.64, up \$0.06¹/₄ for the week and the Sept 2016 contract closed at \$3.67, up \$0.05¹/₄ for the week.**

CRUDE OIL – Volatility increased this week in crude oil trading, with a sharp decline on Monday triggered by reduced optimism about the potential for an OPEC production freeze offset by a sharp gain on Wednesday from an expectedly large cut in weekly crude oil inventories resulting from improving refinery utilization due to a pick up in gasoline and diesel fuel demand. U.S. DOE Energy Information Agency reported domestic crude oil stocks unexpected declined by 4.937 million bbls last week, compared to an expected increase of 2.85 million bbls. Distillates increased by 1.799 million bbls, while gasoline stocks increased by 1.438 million bbls. **Crude oil futures finished up \$0.47/bbl for the week at \$37.26/bbl.**

USDA Crop Progress / Condition Report, April 3, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
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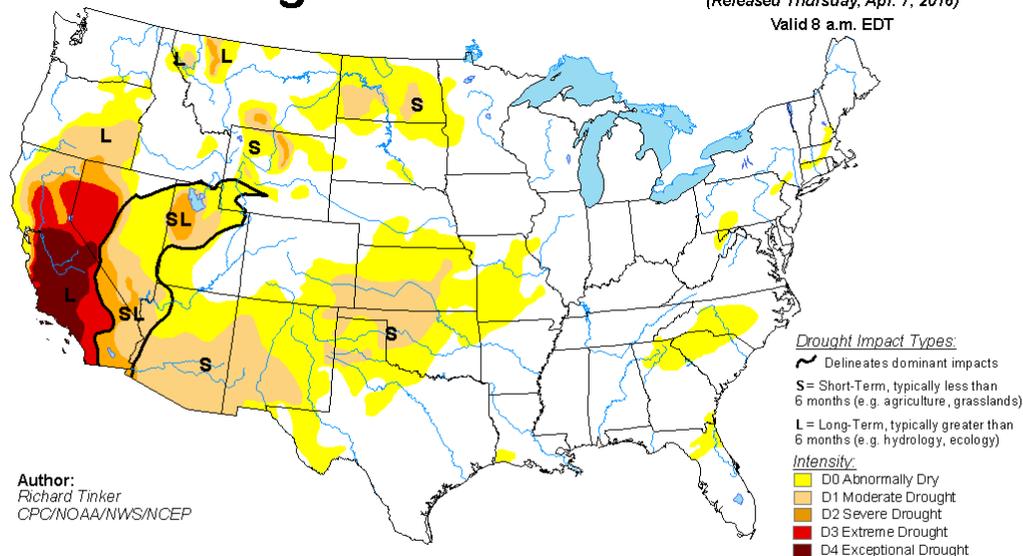
US Barley	6% planted	NA	9%	7%			
ID Barley	6%	NA	45%	21%			
US winter wheat					59% g/ex	NA	44%
ID winter wheat					94%	NA	65%

Weather / Crop Conditions-

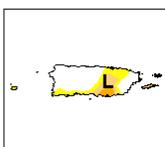
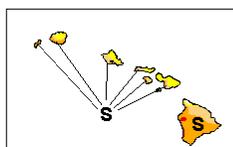
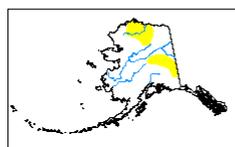
- **La Nina Outlook** – Experts indicate there are signs that the decay of El Nino and arrival of La Nina may be occurring more rapidly than earlier projected. The official Climate Prediction Center outlook calls for transition to ENSO-neutral by early summer 2016, with close to a 50% chance for La Niña to develop by fall. **However some models signaling La Nina formation by July, which has implications for the summer 2016 crop – tends to be more favorable for PNW and drier and warmer for the Midwest.**
- **U.S. – PNW** – Mostly warm and dry conditions are promoting winter grain development and rapid spring planting progress. **Northern Plains** – Cooler air lingers but mostly dry conditions prevail. **Central/Southern Plains** – Warm and windy conditions prevail with parts of KS seeing limited beneficial moisture this week. Ongoing dryness/drought which is depicted in the Drought Monitor below has created an elevated critical risk of additional wildfires, but the extended forecast calls for wet conditions. **Corn Belt** – Southern belt continues to see unfavorably wet conditions which has delayed planting and field work. Central and northern belts also see cool conditions with scattered showers and snowfall in the Great Lakes region. Another round of freezes are expected across parts of the Midwest this weekend.

U.S. Drought Monitor

April 5, 2016
(Released Thursday, Apr. 7, 2016)
Valid 8 a.m. EDT



Author:
Richard Tinker
CPC/NOAA/NWS/NCEP



<http://droughtmonitor.unl.edu/>

- **Europe** – Northern and Central regions have recently received beneficial moisture and above normal temperatures which are promoting favorable winter grain development and rapid spring planting.
- **Black Sea region** – Ukraine and Southern Russia are experiencing mostly ideal growing conditions, with warm rainy weather the past couple of weeks. More beneficial rain is in the nearby outlook for parts of Ukraine and Southern Russia, although central Ukraine is trending dry.
- **Northern Africa** – Morocco has been unfavorably dry with drought-stressed grain crops advancing toward maturity. By contrast, Algeria and Tunisia have received beneficial moisture during reproductive to grain fill
- **China** – Yangtze Valley is seeing beneficial moisture while the North China Plains remain mostly dry, with winter wheat crops aided by irrigation.
- **South America** – Central Brazilian second corn crop is trending dry ahead of pollination, which may affect yield potential. Argentina continues to see beneficial moisture for immature corn crops.