

Idaho Grain Market Report, April 14, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 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	\$5.25-5.80		NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	\$9.01 - \$9.38	\$4.00	\$4.30	\$5.00	\$4.50
Blackfoot / Pocatello	NQ	\$8.15	\$4.00	\$4.30	\$5.00	\$4.50
Grace / Soda Springs	\$6.75		\$3.96	\$3.83	\$4.96	\$4.48
Burley / Rupert	\$6.00	\$9.38	\$3.80-3.86	\$3.70	\$5.15	\$4.35
Hazelton						
Twin Falls / Buhl / Wendell	\$5.90-6.10 \$7.00 new crop		\$3.90	NQ	NQ	
Nampa – Weiser	\$6.10		\$4.41			
Nez Perce / Craigmont	\$5.25		\$4.33	\$4.59	\$5.30	
Lewiston	\$5.75		\$4.58	\$4.84	\$5.55	
Moscow / Genesee	\$5.25-5.75		\$4.36–4.51	\$4.62-4.75	\$5.33-5.46	\$4.75

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			May Ord pro - \$5.09-5.10 April Max 10.5% pro- \$5.41½-5.47	\$5.31½ –5.44½	\$6.15 - 6.25	
Los Angeles	\$9.10-9.35			NQ (12%)		
Tulare	\$9.10–9.35					
Ogden	\$7.15		\$4.35	\$4.15	\$5.30	\$4.85
Great Falls	\$5.00-5.50	\$10.00		\$4.18-4.34 (12%)	\$4.91–5.10	
Minneapolis	\$5.10	NQ		\$4.99½	\$6.00 – 6.10	

Market trends this week

BARLEY – Local feed and malting barley prices were mostly steady this week. 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.

BARLEY S&D Projections for Apr. 12, 2016 - USDA made only one very minor tweak to their monthly barley S&D balance sheet – lowered domestic food use by 1 million bu to 152 million bu and raised ending stocks by an equal amount to 97 million bu. The average farm-gate price is tightened to \$5.40-5.60/bu. **World barley production was increased by 1 MMT this month to 147.2 MMR, due to bigger crop in Argentina (up .6 MMT to 4.2 MMT).**

WHEAT – Local wheat prices were mixed to mostly higher this week: SWW prices ranged from 4 to 16 cents higher; HRW prices ranged from plus 16 cents to minus 5 cents; and DNS prices ranged from plus 39 cents to minus 1 cent. USDA reported wheat export sales last week were on the low end of trade exteactions at 124.7 TMT (plus 211.5 TMT for MY 2016/17), up noticeably from the the previous week but down 21% from the 4-week average. Wheat export shipments last week totaled 309.2 TMT, down 21% from the previous week and 18% from the 4-week average.

WHEAT S&D Projections for Apr. 12, 2016 – Neutral to slightly bearish against trade expectations...USDA cut domestic feed use by 10 million bu to 140 million bu and raised ending stocks by an equal amount to 976 million bu, which was in line with the average pre-report trade estimate of 977 million bu. The average farm-gate price was tightened to \$4.90-5.00/bu. **World wheat production was increased by .8 MMT this month to 733.1 MMT, up 1.1% from last year. World wheat ending stocks were increased by 1.67 MMT this month to 239.3 MMT, above pre-report trade estimates of 237.6 MMT and up 11% from last year.**

Wheat Competitor / Buyer News –USDA raised their Argentine wheat crop estimate by .3 MMT this month to 11.3 MMT, up from 12.5 MMT the previous year. The Buenos Aires Grain Exchange is projecting 2016/17 wheat plantings will increase by as much as 25%. France is projecting their soft wheat seedings at 5.24 million ha in 2016/17, the highest in 80 years. UkrAgroConsut is estimating the Ukrainian 2016/17 wheat crop at 18.5 MMT, down 6.3 MMT from last year. Egypt bought 175 TMT of wheat this week from Romania (120 TMT) and Ukraine (55 TMT).

CORN – USDA reported corn export sales were better than expected last week at 1.135 MMT (plus 111.4 TMT for MY 2016/17), up 20% from the previous week and up 21% from the previous 4-week average. Corn export shipments last week totaled 1.008 MMT, down 11% from the previous week and 3% from the previous 4-week average.

CORN S&D Projections for Apr. 12, 2016- Slightly bearish against trade expectations... USDA cut domestic feed use by 50 million bu to 5.25 billion bu, increased ethanol use by 25 million bu to 5.525 billion bu, and raised ending stocks by 25 million bu to 1.862 billion bu, which was ABOVE the pre-report trade expectations of 1.845 billion bu. The average farm-gate price of corn was tightened to \$3.40-3.70/bu. **World corn production was increased by 2.5 MMT this month to 972.1 MMT, down 4% from a year ago. World corn ending stocks were increased by 1.9 MMT to 208.9 MMT this month, up 0.6% from a year ago, and are slightly ABOVE trade expectations of 208.25 MMT.**

Ethanol corn usage – DOE's Energy Information Agency reported another surprisingly bearish downtick in U.S.ethanol production last week to 938,000 bpd - down 38,000 bbls to the lowest weekly production in 30 weeks – which was down nearly 4% from the previous week but still 1.5% higher than the previous year. U.S. ethanol stocks increased by 0.5% to 22.3 million bbls which is about 8% above the previous year. Corn used to produce ethanol slipped to 98.49 million bu, just above the weekly pace needed to achieve USDA's revised projection of 5.25 billion bu for MY 2015/16.

Corn Competitor / Buyer News – USDA raised their Argentine corn production estimate this month by 1 MMT to 28 MMT but left Brazil's estimate unchanged at 84 MMT. There are signs of dryness in Brazil's 2nd corn crop and if rain does not materialize in the next 10 days losses could reach 5-8 MMT. ProFarmer has projected their corn crop at 83 MMT. A USDA Attache projects a big jump in Argentine corn plantings in 2016/17 with production pegged at 31 MMT, up 3 MMT from this year. Meanwhile, the Argentine government is considering raising their ethanol blending mandate from 12% to 26% which will sharply boost domestic corn use. The Brazilian Ag Minister has requested suspension of their 10% corn import duty from non-Mecusor countries to help ease rising domestic prices. They are currently importing corn from Argentina, with an estimated 700 TMT expected to move in coming weeks. UkrAgroConsut is estimating the Ukrainian 2016/17 corn crop at 24.7 MMT, up 1.7 MMT from last year.

Futures Market trends this week

WHEAT – Wheat markets opened the week sharply lower – down double digits - with KCBOT marking fresh contract lows under pressure from bearish weather forecast that called for more widespread rain across dry winter wheat areas of the Central and Southern Plains. Wheat posted a strong reversal higher on both Tuesday and Wednesday on short covering sparked by an unexpected decline in the winter wheat crop rating (down 3% to 56% good/excellent) and oversold technical condition. Wheat finished mixed to fractionally higher on Thursday on mostly spillover support. **Wheat market closes on Thursday, 4/14/16...**

	May 2016	Weekly Summary	May 2016	Weekly Summary	July 2016	Weekly Summary
Chicago SRW	\$4.59 ³ / ₄	Down \$0.00 ¹ / ₂	\$4.66 ³ / ₄	Unchanged	\$4.76 ³ / ₄	Up \$0.00 ¹ / ₂
KC HRW	\$4.55	Down \$0.05	\$4.65 ³ / ₄	Down \$0.05	\$4.80	Down \$0.04 ³ / ₄
MGE DNS	\$5.22 ¹ / ₂	Up \$0.01 ¹ / ₂	\$5.27 ¹ / ₂	Down \$0.02	\$5.35 ¹ / ₄	Down \$0.03 ³ / ₄

CORN – Corn traded moderately lower on Monday, under spillover pressure and shift to warmer and drier weather outlook across the Midwest which dampens talk of acreage shifts from corn to beans. Prices finished moderately higher on Tuesday and Wednesday in aggressive new fund buying and short covering sparked by spillover strength in soybeans, despite a slightly bearish S&D report. Most of the support came from positive outside markets, particularly stronger crude oil prices which reached a 4 month high midweek. Corn finished fractionally higher on Thursday on support from better

than expected weekly export sales and spillover strength from soybeans. **Corn futures contract closes on Thursday, 4/14/16... May 2016 contract at \$3.74, up \$0.11¼ for the week, July 2016 contract closed at \$3.78, up \$0.13 for the week and the Sept 2016 contract closed at \$3.79½, up \$0.11½ for the week.**

CRUDE OIL – More volatility this week in the face of mixed reports concerning talks between Saudi Arabia and Russia on production cuts ahead of a OPEC meeting early next week. A reported agreement on Tuesday drove prices to their highest level in four month on Tuesday but a bigger than expected increase in weekly crude oil inventories added to a more bearish tone on Wednesday. U.S. DOE Energy Information Agency reported domestic crude oil stocks increased by 6.634 million bbls last week on a surge of imports, compared to an expected increase of 1.9 million bbls. Distillates increased by 505,000, while gasoline stocks unexpected fell by 4.237 million bbls, compared to an expected decline of only 1.4 million bbls. **Crude oil futures finished up \$1.78/bbl for the week at \$41.50/bbl.**

USDA Crop Progress / Condition Report, April 10, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	19% planted	6%	22%	15%			
ID Barley	35%	6%	63%	37%			
US Spring Wheat	13%	NA	14%	10%			
ID Spring Wheat	30%	2%	57%	36%			
US Winter Wheat	4% headed	NA	5%	7%	56% g/ex	59%	42%
ID Winter Wheat	0% headed	-	-	-	92%	94%	65%
Corn	4% planted	NA	1%	4%			

Weather / Crop Conditions-

- **U.S. – PNW** – Mostly warm conditions prevailed this week with isolated showers stretching across the region into the Northern Rockies. **Northern Plains** – Warmer and drier conditions prevailed but small amounts of moisture are expected this weekend. **Central/Southern Plains** – Beneficial precipitation last weekend across dry areas of the Central and Southern High Plains is being followed by another round of strong thunderstorms, heavy rain and flash flooding this weekend into early next week. **Corn Belt** – Warmer and drier trend in allowing for spring field work and planting. **The 6-10 day outlook** –warmer than normal for most of the U.S., except for parts of the Southern Plains and wetter than normal for the Central and Southern Plains into the middle and lower Mississippi River Valley. The PNW should be warm and mostly dry.

INTERNATIONAL -

- **Europe** – Continued beneficial moisture received across Central France and Spain, where crop conditions are reported to be very good.
- **Black Sea region** – Mostly ideal growing and planting conditions persisted, with Southern Russia receiving more beneficial moisture this week.
- **Northern Africa** – Morocco winter grains are rapidly advancing toward maturity while Algeria and Tunisia grains continue to benefit from widespread rains.
- **China** - The North China Plains received beneficial moisture across the southern growing region while the central and northern regions continued to experience unseasonable warmth and dryness, necessitating irrigation.
- **South America** – Central Brazilian second corn crop remains mostly dry with yield concerns if rain is not received in the next 10 days. Argentina has received too much moisture, affecting some mature crops and delaying soy harvest.