

Idaho Grain Market Report, May 12, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 11, 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	\$5.00-6.00		\$3.90	\$3.90 (12% pro)	\$4.90	\$4.15-4.55
Idaho Falls	\$6.00	\$8.90 - \$9.38	\$3.93 – 4.00	\$3.77- 4.10	\$4.97 – 5.05	\$4.13-4.45
Blackfoot / Pocatello	NQ	\$8.15	\$4.00	\$4.10	\$5.05	\$4.45
Grace / Soda Springs	\$6.55		\$3.90	\$3.74	\$5.04	\$4.29
Burley / Rupert	\$6.00	\$9.38	\$3.84-4.00	\$3.47	\$4.97	\$4.22
Hazelton						
Twin Falls / Buhl / Wendell	\$5.90-6.25 \$7.00 new crop		\$3.70	NQ	NQ	
Nampa – Weiser	\$6.25		\$3.70			
Nez Perce / Craigmont	\$5.25		\$4.42	\$4.34	\$5.39	
Lewiston	\$5.75		\$4.68	\$4.60	\$5.65	
Moscow / Genesee	\$5.25-5.75		\$4.45–4.59	\$4.37-4.56	\$5.42-5.56	\$4.56

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 pro - \$5.19 -5.39¼ May max 10.5% pro- \$5.34-5.74¼	\$5.17¼ -5.32¼	\$6.07¼ - 6.27¼	
Los Angeles	\$9.00-9.20			NQ (12%)		
Tulare	\$9.00–9.20					
Ogden	\$6.90		\$4.20	\$4.05	\$5.35	\$4.64
Great Falls	\$5.25	\$9.00		\$4.03-4.18 (12%)	\$4.89–5.10	
Minneapolis	\$5.10	NQ		\$4.82¼ (12%)	\$5.87¼ - 5.97¼	

Market trends this week

BARLEY – Local feed barley prices ranged were steady to 20 cents higher, while open market malting barley prices were steady this week. USDA reported MY 15/16 barley export sales of 500 MT to Taiwan, and export shipments last week of 800 MT to South Korea and Japan.

BARLEY S&D Projections May 10, 2016 - MY 2015/16 - USDA made only very minor tweaks to their monthly barley S&D balance sheet – raised domestic food (malting) use by 1 million bu to 153 million bu and lowered exports by an equal amount to 13 million bu, leaving ending stocks unchanged at 97 million bu. The **average farm-gate barley price for MY 2015/16 was pegged at \$5.50**, which is up \$.20 from the previous year. **World barley production was increased by 760 TMT this month to 147.7 MMT, which is an increase of 5% from the previous year. MY 2016/17** – USDA pegged **2016 U.S. barley production down 21 million bu (-10%) to 193 million bu**, based on lower planted area. Total usage was pegged at 218 million bu, up 0.9%, and U.S. barley ending stocks were cut by 5% to 92 million bu. The average U.S. barley farm-gate price was estimated at a range of \$4.30-5.10/bu. **World barley production was pegged at 141.7 MMT, down 4%**, based on smaller crops projected in the EU, Ukraine, Argentina and U.S. World barley ending stocks were pegged at 23.4 MMT, down 8% from this year and a stocks-to-use of 16.3%, which is down from 17.3% in the current year.

Barley Competitor/Buyer News – Stats Canada pegged Canada's barley stocks as of March 31 at 3.8 MMT, up 12% from the same period a year ago. USDA is pegging 2016 EU barley production down 1% this year at 60.7 MMT, Russian up 4% at 17.75 MMT, Ukrainian down 11% to 8.7 MMT, Canadian up 3% at 8.5 MMT, Australian down 2% at 8.5 MMT and Argentine production down 19% at 3.4 MMT.

WHEAT – Local wheat prices were mixed but mostly lower this week: SWW prices ranged from minus 17 cents to plus 10 cents; HRW prices ranged from 6 to 16 cents lower; and DNS prices ranged from minus 25 cents to plus 7 cents. USDA reported wheat export sales last week were on the high end of trade expectations at 294.9 TMT (plus 387.9 TMT for MY 2016/17), up 65% from the previous week and up 24% from the 4-week average. Wheat export shipments last week totaled 447.1 TMT, up 16% from the previous week and up 12% from the 4-week average. Cumulative wheat export sales now tally 96.3% of the USDA forecast for the year (which ends May 31), compared to a 5-year average pace of 98.5%.

WHEAT S&D Projections May 10, 2016 – MY 2015/16 - Bearish against trade expectations as world stocks came in higher than trade expectations...USDA cut domestic food use by 7 million bu to 960 million bu but raised exports by 5 million bu to 978 million bu, resulting in a 2 million bu increase in ending stocks to 978 million bu, which was BELOW the average pre-report trade estimate of 984 million bu. **The average farm-gate wheat price for MY 2015/16 was set at \$4.90/bu, down 18% from the previous year. World wheat production was increased by .9 MMT this month to 734.05 MMT, up 1% from last year. World wheat ending stocks were increased by 3.7 MMT this month to 242.9 MMT, above pre-report trade estimates of 239.4 MMT and up 12% from last year. MY 2016/17 – USDA pegged 2016 U.S. wheat production at 1.998 billion bu, 54 million bu lower (-3%) than last year and slightly ABOVE the average pre-report trade estimate of 1.98 billion bu.** Winter wheat production was pegged at 1.427 billion bu. Total usage was pegged at 2.077 billion bu, up 7% from 2015 and **ending stocks are pegged at 1.029 billion bu, 51 million bu higher than last year and ABOVE the average pre-report trade estimate of 997 million bu.** If realized, this will be the largest wheat stocks in 29 years. The average U.S. wheat farm-gate price was estimated at a range of \$3.70-4.50/bu. **World wheat production was pegged at 727 MMT, down 1%,** based on smaller crops projected in the EU, Ukraine and the U.S. more than offsetting increases projected for Russia, Argentina and Canada. World wheat ending stocks were pegged at 257.3 MMT, up 6%, and ABOVE the average pre-report trade estimate of 243 MMT. World wheat stocks to use is pegged at 36%, compared to 34% in MY 2015/16.

Wheat Competitor / Buyer News – EU approved export licenses for 628,000 TMT of wheat this week, bringing their cumulative wheat exports to 26.6 MMT, which is still lagging last year's pace by 7%. French farm ministry has pegged their 2016 soft wheat crop up 2.4% from a year ago due to very favorable growing conditions. Stats Canada pegged Canadian wheat stocks at 13.8 MMT as of March 31, down nearly 24% from a year ago. Taiwan flour millers purchased 109.9 TMT of U.S. wheat this week.

CORN – USDA reported corn export sales were within trade expectations last week at 1.105 MMT (plus 150.4 TMT for MY 2016/17), up 44% from the previous week but down 16% from the previous 4-week average. Corn export shipments last week remained strong at 1.142 MMT, down 7% from the previous week and down 1% from the previous 4-week average. Cumulative corn export sales now tally 88.9% of the USDA revised forecast for the year, compared to a 5-year average pace of 91.7%.

CORN S&D Projections May 10, 2016- MY 2015/16- Bullish against trade expectations... USDA increased imports by 5 million bu to 55 million bu, cut domestic food and industrial use by 11 million bu to 6.61 billion bu, increased exports by 75 million bu to 1.725 billion bu, resulting in a **59 million bu cut in ending stocks to 1.803 billion bu, which was BELOW the pre-report trade expectations of 1.837 billion bu.** The average farm-gate price of corn was tightened to \$3.50-3.70/bu. **World corn production was cut by 3.3 MMT this month to 968.9 MMT, down 4% from a year ago, due to smaller crops now projected for Brazil and Argentina. World corn ending stocks were cut by 1 MMT to 207.9 MMT this month, up slightly from a year ago, and ABOVE trade expectations of 205.5 MMT. MY 2016/17 – USDA pegged 2016 U.S. corn production at 14.43 billion bu, up 6% from last year, based on a very aggressive planted acreage of 93.6 million and yield of 168 bpa.** Many in the trade think 92 million acres is more likely and long-term trend yield of 163 bpa. USDA pegged total usage at 14.12 billion bu, up 4%. **Ending stocks were increased by 350 million bu to 2.153 billion bu, the biggest carryover in 29 years, but BELOW the average pre-report trade estimate of 2.27 billion bu.** The average U.S. corn farm-gate price was estimated at a range of \$3.05-3.65/bu. **World corn production was pegged at 1,011 MMT, up 4%,** and the second biggest world crop behind 2014/15. World corn ending stocks were pegged at 207.04 MMT, down slightly from this year based on aggressive usage, and BELOW the average pre-report trade estimate of 211.7 MMT. World corn stocks to use is pegged at 20.5%, down from 21.5% in the current marketing year.

Ethanol corn usage – DOE's Energy Information Agency reported an impressive downtick in U.S. ethanol production last week, to 962,000 bpd - up 39,000 bbls or 4.2% from the previous week and up 5.5% from the previous year. U.S. ethanol

stocks decreased by 4.3% last week to 21.3 million bbls, which is up nearly 5% from a year ago. Corn used to produce ethanol jumped to 101 million bu, back above the weekly pace of 98.3 mbu needed to achieve USDA's projection of 5.25 billion bu for MY 2015/16.

Corn Competitor / Buyer News – As expected, USDA cut their current year corn production estimates for both Brazil and Argentina in this month's S&D report: Brazil's output is cut by 3 MMT to 81 MMT and Argentina's by 1 MMT to 27 MMT. CONAB cut their Brazilian corn output this week to 79.96 MMT, and traders believe that the crop could lose another 2-4 MMT if rain doesn't materialize soon in key central-west growing areas. For new crop, USDA cut the Chinese corn output by 6.5 MMT to 218 MMT. They raised Argentina production by 7 MMT to 34 MMT and Ukrainian production by 3 MMT to 26 MMT, based on bullish planting projections in both countries. French farm ministry has pegged their corn plantings will decline by nearly 5% this year. USDA reported a 210 TMT sale of U.S. corn to Saudi Arabia this week.

Futures Market trends this week

WHEAT – Wheat markets began the week moderately lower under pressure from a stronger dollar and positioning for Tuesday's S&D report which will include the first USDA forecast for the new Marketing Year 2016/17. Tuesday saw modest gains on spillover support from corn and beans, but gains were limited by bearish U.S. and world ending stocks estimates. Wheat closed moderately lower on Wednesday under pressure from expectations of excellent U.S. winter wheat yields and ample world stocks. Wheat posted a bullish reversal higher on Thursday with support from a stronger than expected export sales report and a lower dollar. **Wheat market closes on Thursday, 5/12/16...**

	<u>July 2016</u>	<u>Weekly Summary</u>	<u>Sept 2016</u>	<u>Weekly Summary</u>	<u>Dec 2016</u>	<u>Weekly Summary</u>
Chicago SRW	\$4.68	Up \$0.04 ¹ / ₄	\$4.77 ³ / ₄	Up \$0.03 ³ / ₄	\$4.94 ¹ / ₄	Up \$0.02 ¹ / ₄
KC HRW	\$4.49 ³ / ₄	Down \$0.03 ³ / ₄	\$4.66 ¹ / ₂	Down \$0.03 ³ / ₄	\$4.90 ³ / ₄	Down \$0.04
MGE DNS	\$5.30	Down \$0.05	\$5.37 ¹ / ₄	Down \$0.05 ¹ / ₂	\$5.49 ³ / ₄	Down \$0.04

CORN – Corn closed solidly lower on Monday under profit-taking triggered by a higher dollar and positioning ahead of Tuesday's S&D projections which could show the highest U.S. ending stocks in 29 years. After choppy overnight trading, corn finished with double digit gains on Tuesday, boosted by strong soybean gains, lower than expected U.S. and world corn ending stocks and a wet forecast for this week and next which could slow planting, particularly in the ECB where planting pace is lagging. Corn posted modest losses on Wednesday under profit-taking pressures triggered by heavy cash sales. Corn finished solidly higher on Thursday with support from strong export sales data and ideas that an extended wet forecast could shift acres to soybeans, which have a wider planting window. **Corn futures contract closes on Thursday, 5/12/16... July 2016 contract at \$3.89, up \$0.11¹/₂ for the week, Sept 2016 contract closed at \$3.91³/₄, up \$0.12¹/₄ for the week and the Dec 2016 contract closed at \$3.96¹/₄, up \$0.11¹/₂ for the week.**

CRUDE OIL – Crude oil market overcame early pressure this week to soar above \$46/bbl, the highest price in 6 months. Support came from supply outages in Canada and Nigeria and updated global estimates from the International Energy Agency that call for a "dramatic reduction" in global supplies in the second half of this year resulting from a combination of slowing production and rising demand. The U.S. DOE Energy Information Agency reported a surprising cut in domestic crude oil stocks last week of 3.4 million bbls, compared to an expected increase of 700,000 bbls. Distillates fell by 1.647 million bbls, while gasoline stocks fell by 1.231 million bbls. **Crude oil futures (June contract) finished up \$2.04/bbl for the week at \$46.70/bbl.**

USDA Crop Progress / Condition Report, May 9, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	79% planted 47% emerged	57%	84%	60%			
ID Barley	90% planted 72% emerged	77%	93%	85%			
US Spring Wheat	77% planted 39% emerged	54%	84%	51%			

ID Spring Wheat	91% planted 71% emerged	75% 45%	95% 71%	87% 55%			
US Winter Wheat	57% headed	42%	52%	44%	62% g/ex	61%	44%
ID Winter Wheat	5% headed	4%	9%	2%	89% g/ex	90%	58%
Corn	64% planted 27% emerged	45% 13%	69% 23%	50% 17%			

Weather / Crop Conditions

U.S. – NWS Climate Prediction Center raised the chances for LaNina formation this year from 65% to 75% this week.

- **PNW** – Mostly warm and dry conditions prevailed, with many areas receiving record heat. Cooler and wetter conditions are in the extended forecast.
- **Northern Plains** – Cooler and mostly dry conditions prevailed, with warnings expected during the next several days.
- **Central/Southern Plains** – Showers and thunderstorms lingered across parts of Texas and Oklahoma this week with rainy and cooler weather in the extended forecast. Crop ratings continue to tick higher at 62% good/excellent, compared to a 10-year average of 45%. **Participants in the annual HRW Wheat Quality Tour pegged the total Kansas wheat crop at 382.4 million bu, up 14% from last year.**
- **Corn Belt** – After severe weather in many areas over the weekend, another cold front ushered in more unsettled weather this week. The ECB saw mostly cool and wet conditions, while the WCB was mostly cool, dry and breezy. More showers are expected next week, which will likely interrupt planting in many areas.
- **The 6-10 day outlook** – Near to above normal precipitation and near to below normal temperatures for most of the country.

INTERNATIONAL -

- **Europe** – Continued showery conditions help maintain favorable growing conditions.
- **Black Sea region** – Continued warm and showery conditions across S. Ukraine and W. Russia maintain good growing conditions. The extended forecast is wet. Warmth is aiding spring grain planting across Central Russia and Kazakhstan.
- **Northern Africa** – Moroccan winter grain harvest advanced rapidly, with the government declaring their domestic wheat production will decline by as much as 70% this year due to the worst growing conditions in 30 years.
- **Middle East** – Widespread showers favored winter grains in Turday and northwestern Iran, while dry and hot conditions accelerated maturity and harvesting in other areas.
- **China** – Light rainfall across the North China Plains maintained mostly favorable winter wheat conditions, while showers slowed corn planting across the northeastern region.
- **South America** – Rains continued across southern Brazil but the key central-west safrinha corn growing region remained mostly dry this week. Showers are in the extended forecast. Argentina's weather continued to improve, accelerating corn and soybean harvest.
- **Australia** – The southeastern region continued to see some beneficial moisture this week, while the forecast has turned dry for the next two weeks.

5/9/2016 PEST ALERT from Dr. Juliet Marshall, UI Associate Professor of Cereal Pathology & Agronomy, Idaho Falls...

Stripe rust of barley was found last week in Twin Falls County in AB Voyager, at low levels. Stripe rust of barley will not infect wheat, and wheat stripe rust will not infect barley. This does, however, emphasize that conditions continue to be excellent for the development of stripe rust in both crops. You can expect stripe rust to develop in moderately susceptible (MS) and susceptible (S) winter and spring wheat varieties. Fungicide applications are recommended at herbicide timing for MS and S varieties, and probably again later in the season, especially to protect the flag leaf for optimum grain fill. Susceptible varieties can suffer significant yield and quality losses (test weight).

Please report new occurrences of both wheat and barley stripe rust. **Scouting of all fields is highly recommended.** Always read and follow label directions when applying fungicides. Attached is a fungicide efficacy chart for use as a general guide. (Inclusion of specific products does not indicate endorsement, and there are many other products available that are not included.)