

Idaho Grain Market Report, May 26, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 25, 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	\$4.80-6.00		\$3.81 – 4.00	\$3.71	\$4.92	\$4.32-4.65
Idaho Falls	\$6.00	\$8.90 - \$9.38	\$4.15	\$4.25	\$5.05	\$4.60
Blackfoot / Pocatello	NQ	\$8.15	\$4.15	\$4.25	\$5.05	\$4.60
Grace / Soda Springs	\$6.35		\$4.04	\$3.90	\$4.99	\$4.35
Burley / Rupert	\$6.00	\$9.38	\$4.10	\$3.56	\$5.02	\$4.31
Hazelton						
Twin Falls / Buhl / Wendell	\$6.30-6.50 \$7.25 new crop		\$3.75	NQ	NQ	
Nampa – Weiser	\$6.83		\$4.66			
Nez Perce / Craigmont	\$5.25		\$4.42	\$4.43	\$5.34	
Lewiston	\$5.75		\$4.68	\$4.69	\$5.60	
Moscow / Genesee	\$5.25-5.75		\$4.45–4.59	\$4.46-4.65	\$5.37-5.51	\$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			June Ord pro - \$5.16 -5.28 May max 10.5% pro- \$5.26–5.35	\$5.26 – 5.41	\$6.12 - 6.27	
Los Angeles	\$9.00-9.20					
Tulare	\$9.00–9.20					
Ogden	\$6.70		\$4.45	\$4.10	\$5.35	\$4.70
Great Falls	\$5.25	\$9.00		\$4.15-4.22 (12%)	\$4.83–5.12	
Minneapolis	\$5.00	NQ		\$4.91 (12%)	\$5.87	

Market trends this week

BARLEY – Local feed barley prices ranged from minus 20 cents to plus 9 cents, but were mostly steady, while open market malting barley prices remained steady this week. USDA reported no MY 15/16 barley export sales while barley export shipments last week totaled 100 MT to Taiwan.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 18 cents to plus 17 cents; HRW prices ranged from minus 9 cents to plus 5 cents; and DNS prices ranged from 5 to 14 cents lower. USDA reported wheat export sales last week were well below trade expectations at negative 9.0 TMT, down considerably from the previous week and the 4-week average (plus 354.5 TMT for MY 2016/17 which begins June 1). Wheat export shipments last week totaled 285.1 TMT, down 25% from the previous week and down 31% from the 4-week average.

Wheat Competitor / Buyer News – SovEcon is pegging Russia's total grain crop at 107 MMT, with wheat output at 64 MMT, up nearly 3 MMT from last year and exports at 25 MMT. India has reportedly booked 500 TMT of wheat purchases from Australia (350 TMT) and France (150 TMT) with delivery between July and September. Traders expected India will need to purchase as much as 2.75 to 3 MMT of wheat in the 2016/17 season due to lower domestic output from the strong El Nino.

CORN – USDA reported corn export sales were on the high end of trade expectations last week at 1.381 MMT down 6% from the previous week and unchanged from the previous 4-week average (plus 246.2 TMT for MY 2016/17). Corn export shipments last week remained strong at 1.125 MMT, down 4% from the previous week and down 3% from the previous 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported another modest downtick in U.S. ethanol production last week, to 946,000 bpd - down 2,000 bbls or 0.2% from the previous week and down 2.4% from the previous year. U.S. ethanol stocks decreased by 1.4% last week to 20.8 million bbls, which are up 3.6% from a year ago. Corn used to produce ethanol totaled 99.33 million bu, still above the weekly pace of 98.1 mbu needed to achieve USDA's projection of 5.25 billion bu for MY 2015/16.

Corn Competitor / Buyer News – Trade estimates that Brazilian corn crop will likely decline another 3-4 MMT due to drought impacts in the key center-west growing region. ProFarmer consultant has pegged the safrinha corn crop at 48 MMT, compared to Safras estimate of 52.1 MMT and CONAB forecast of 52.9 MMT. Argentine harvest was reportedly 28% complete at the start of the week, with average trade estimates of 25-26 MMT, compared to USDA's estimate last week of 27 MMT. China is making plans to auction 2 MMT of state corn reserves in coming days. Israel purchased 108 TMT of optional origin corn, with analysts thinking it would likely be sourced from the U.S.

Futures Market trends this week

WHEAT – Wheat markets closed lower to start the week on speculative selling sparked by strong winter wheat crop ratings and concerns about the sluggish export shipment pace as the marketing year winds down. Wheat closed mixed to higher on Tuesday on spillover strength in soybeans and corn and concerns that too much rain across the Central and Southern Plains could cause lodging and quality problems in the maturing winter wheat crop. Wednesday saw a firmer tone in wheat futures on short covering sparked by a weaker dollar and continuing spillover strength in beans and corn. Wheat finished sharply higher on Thursday on support from short covering sparked by quality concerns from excessive rain in parts of the HRW region as harvest begins. **Wheat market closes on Thursday, 5/26/16...**

	July 2016	Weekly Summary	Sept 2016	Weekly Summary	Dec 2016	Weekly Summary
Chicago SRW	\$4.81¼	Up \$0.13½	\$4.91¾	Up \$0.13	\$5.08½	Up \$0.12
KC HRW	\$4.62¼	Up \$0.13¼	\$4.78½	Up \$0.13½	\$5.01½	Up \$0.12¼
MGE DNS	\$5.34½	Up \$0.06¾	\$5.42¼	Up \$0.07	\$5.55¼	Up \$0.08

CORN – Corn posted modest gains on Monday supported by unwinding soybean/corn spreads and ongoing ideas that some acres will shift to soybeans in the ECB where planting has been delayed by rains. Corn closed narrowly mixed to fractionally lower on Tuesday on profit-taking pressures into the session close. Corn closed at a 10 month high on Wednesday, boosted by spillover strength in soybeans (particularly bean meal), but the upside remains limited by the strong start to the new crop year with favorable growing conditions in the near term outlook. Corn finished on Thursday with the highest prices in a year on mostly spillover support from a weaker dollar and firming export demand. **Corn futures contract closes on Thursday, 5/26/16...** July 2016 contract at \$4.08¼, up \$0.13¾ for the week, Sept 2016 contract closed at \$4.10½, up \$0.13¾ for the week and the Dec 2016 contract closed at \$4.09¼, up \$0.10 for the week.

CRUDE OIL – Crude oil markets drew strength this week on expectations of a weekly inventory withdrawal coupled with continuing global supply disruptions in Canada, Venezuela, Libya and Nigeria – with gains almost reaching the psychological level of \$50/bbl and the best prices since October 2015. Gains, however, remain capped by US crude oil inventories that remain historically high and 12% above levels for the same period a year ago. The U.S. DOE Energy Information Agency reported a surprisingly strong decline in domestic crude oil stocks last week – down 4.226 million bbls compared to an expected decline of 2.5 million bbls. Distillates fell by 1.284 million bbls last week, while gasoline stocks rose unexpectedly by 2.043 million bbls, compared to an expected decline of 1.1 million bbls. **Crude oil futures (June contract) finished up \$1.73/bbl for the week at \$49.48/bbl.**

USDA Crop Progress / Condition Report, May 23, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	94% planted 80% emerged	90%	99%	81%	76%	75%	74%
ID Barley	97% planted 82% emerged	92%	99%	96%	81%	81%	92%
US Spring Wheat	95% planted 78% emerged	89%	95%	77%	76%	NA	69%
ID Spring Wheat	100% planted 90% emerged	96%	100%	97%	74%		80%
US Winter Wheat	75% headed	68%	74%	66%	62% g/ex	62%	45%
ID Winter Wheat	10% headed	5%	18%	4%	87% g/ex	88%	64%
Corn	86% planted 60% emerged	75%	90%	85%			

Weather / Crop Conditions

El Nino declared dead – The Australian Bureau of Meteorology became the first international weather forecasting service to officially declare an end to the strongest El Nino weather pattern in the last 19 years and noting that we have entered a neutral ENSO phase. The U.S. NOAA Climate Prediction Center updated their forecasting model this week, now predicting a weaker than thought La Nina event by this summer.

U.S. –

- **PNW** – Unusually cool conditions persisted for most of the week, with widely scattered showers across the Intermountain West region. The extended forecast calls for warmer and drier conditions.
- **Northern Plains** – Cooler temperatures and showers this week brought beneficial moisture to the spring wheat region, which had been trending dry.
- **Central/Southern Plains** – A wide band of severe thunderstorms broke out across the Central and Southern Plains this week, bringing locally heavy rains and flash flooding to some areas, causing lodging and quality concerns.
- **Corn Belt** – Widespread rains across the WCB with lighter amounts in the eastern belt, allowing harvest pace to accelerate. An active storm system is expected to linger for the next 7 days which will boost soil moisture and get the 2016 corn crop off to a strong start.
- **The 6-10 day outlook** – Drying trend across the PNW and Central Midwest and wet elsewhere. Above normal temperatures are expected across much of the country, except the Southern High Plains.

INTERNATIONAL -

- **Europe** – A short period of drier weather allowed final summer crop planting and aided winter grain maturation. More rain is in the extended outlook, maintaining favorable growing conditions.
- **Black Sea region** – Continued warm and showery conditions across S. Ukraine and W. and S. Russia maintain good growing conditions. Warm dry weather favored spring grain development across Central Russia and Kazakhstan.
- **Middle East** – Showers continued to maintain strong yield prospects in Turkey and northwestern Iran, while dry and hot conditions accelerated maturity and harvesting in Syria and Southern Iran.
- **China** – Dry seasonably warm conditions across the North China Plains promoted winter wheat maturation and early harvest but limited soil moisture reserves for the corn and other summer crops.
- **South America** – Rains continued across southern Brazil but the key central-west safrinha corn growing region remained mostly dry this week. Argentina's weather continued to improve, accelerating corn and soybean harvest.
- **Australia** – Eastern region received beneficial rains this week and showers are forecast in the west next week.