

Idaho Grain Market Report, June 2, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, June 1, 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	\$4.80-5.75		\$3.88-4.05	\$3.86	\$4.92	\$4.21-4.65
Idaho Falls	\$6.00	\$8.90 - \$9.38	\$4.15-4.23	\$4.12-4.25	\$5.01-5.05	\$4.32-4.60
Blackfoot / Pocatello	NQ	\$8.15	\$4.15	\$4.25	\$5.05	\$4.60
Grace / Soda Springs	\$6.35		\$4.07	\$3.91	\$5.00	\$4.36
Burley / Rupert	\$6.00	\$9.38	\$4.20	\$3.61	\$4.99	\$4.36
Hazelton						
Twin Falls / Buhl / Wendell	\$6.35-6.50 \$7.50 new crop		\$4.00	NQ	NQ	
Nampa – Weiser	\$6.94		\$4.08			
Nez Perce / Craigmont	\$5.25		\$4.45	\$4.48	\$5.40	
Lewiston	\$5.75		\$4.71	\$4.74	\$5.66	
Moscow / Genesee	\$5.25-5.75		\$4.48-4.64	\$4.51-4.70	\$5.43-5.57	\$4.70

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 - \$5.20 -5.28 May max 10.5% pro \$5.33³/₄-5.43	\$5.31 – 5.40	\$6.08 ³ / ₄ - 6.33 ³ / ₄	
Los Angeles	\$8.85-9.30					
Tulare	\$8.85-9.30					
Ogden	\$6.70		\$4.50	\$4.15	\$5.30	\$4.75
Great Falls	\$5.25	\$9.00		\$4.27-4.37 (12%)	\$4.89-5.18	
Minneapolis	\$5.00	NQ		\$4.96 (12%)	\$5.93 ³ / ₄ -6.08 ³ / ₄	

Market trends this week

BARLEY – Local feed barley prices ranged from minus 25 cents to plus 11 cents, but were mostly steady, while open market malting barley prices remained steady this week. USDA will report their export sales data on Friday due to the Memorial Day holiday.

WHEAT – Local wheat prices were mostly higher this week: SWW prices ranged from unchanged to 10 cents higher; HRW prices ranged from unchanged to 15 cents higher; and DNS prices ranged from minus 3 cents to plus 6 cents. USDA reported stronger than expected wheat export shipments last week at 494.8 TMT, up 64% from the previous week. Cumulative wheat exports tallied 84.5% of the USDA estimate for the year compared to a 5-year average of 97.6%. The marketing year ended May 31. Weekly export sales data will be released on Friday due to the holiday.

Wheat Competitor / Buyer News – IKAR is estimating Russia will produce a record wheat crop of 62.5 MMT this year, up 1 MMT from their earlier forecast based on very favorable growing conditions this spring. UkrAgroConsult also raised their Ukrainian wheat production outlook this week by 500 TMT to 22 MMT based on favorable crop weather, but would be down sharply from last year's 26.5 MMT. China sold 38 TMT of wheat from state reserves out of 613 TMT offered for auction.

CORN – USDA reported weaker than expected corn export shipments last week at 786.4 TMT, down 31% from the previous week. Cumulative corn exports now tally 64.8% of the USDA estimate for the year compared to a 5-year average of 72%. The marketing year ends August 31. Weekly export sales data will be released on Friday due to the holiday.

Ethanol corn usage – DOE's Energy Information Agency reported a positive uptick in U.S. ethanol production last week, to 960,000 bpd - up 14,000 bbls or 1.5% from the previous week but down 1.2% from the previous year. U.S. ethanol stocks continued to decline slightly last week to 20.7 million bbls, which are up 3.5% from a year ago. Corn used to produce ethanol totaled 100.8 million bu, still above the weekly pace needed to achieve USDA's projection of 5.25 billion bu for MY 2015/16. Cumulative corn use for ethanol production not total 3.92 billion bu.

Corn Competitor / Buyer News – Brazil's cereals export association is now projecting MY 2016/17 corn exports will fall by 7 MMT to 23 MMT due to tight supply situation and reduced second crop corn prospects. There is increasing talk among traders that Brazil may be sold out of old crop corn ahead of the second crop harvest which is now getting underway. China is offering 3.42 MMT of corn from state reserves for auction on Friday. Asian feed end users have been aggressively buying cheap feed wheat on the world market, including end users in Indonesia who have reportedly booked more than 1 MMT of feed wheat and end users in Thailand more than 2 MMT.

Futures Market trends this week

WHEAT – Wheat markets were the downside leaders to start the week, finishing with double digit losses on Tuesday under pressure from a higher dollar and improving weather forecasts for winter wheat regions of both the U.S. and France. Wheat posted a bullish reversal higher on Wednesday with spillover support from soybeans and corn and a lower dollar. Short covering pushed wheat higher again on Thursday, with CHI closing at a 4-week high on technical support.

Wheat market closes on Thursday, 6/02/16...

	<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	\$4.85½	Up \$0.04	\$4.96¼	Up \$0.05½	\$5.14	Up \$0.05¾
KC HRW	\$4.64½	Up \$0.04¾	\$4.80¾	Up \$0.05	\$5.04¾	Up \$0.06¼
MGE DNS	\$5.32¼	Up \$0.04¼	\$5.40¾	Up \$0.05¼	\$5.53¾	Up \$0.04½

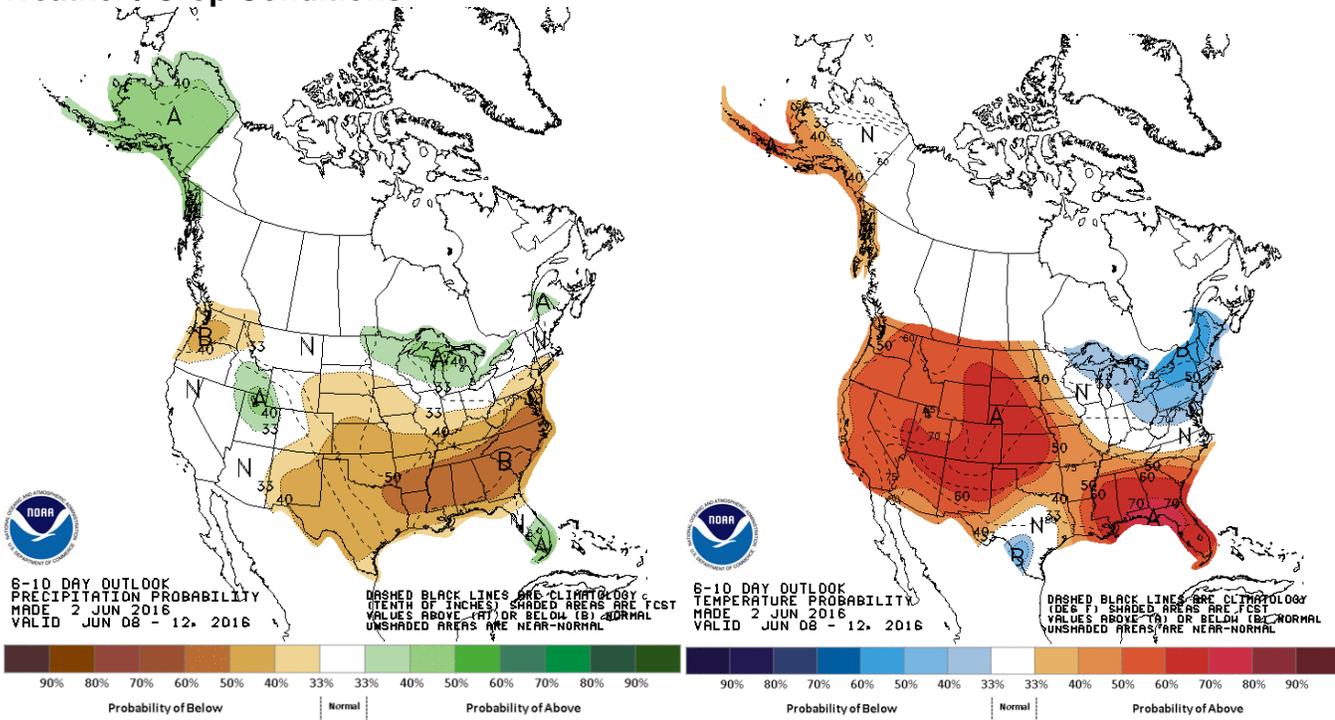
CORN – Corn posted moderate losses on Tuesday under pressure from weaker than expected export shipments and end of the month profit-taking. Wednesday brought a bullish reversal higher on fresh fund buying sparked by aggressive bargain hunting and some weather concerns as some CB areas report slow crop development due to recent cold and wet conditions and emerging dryness in parts of Iowa. Corn finished fractionally higher on Thursday on support from soybean strength and a lower dollar. **Corn futures contract closes on Thursday, 6/02/16... July 2016 contract at \$4.15¼, up \$0.02½ for the week, Sept 2016 contract closed at \$4.15¾, up \$0.01½ for the week and the Dec 2016 contract closed at \$4.16¾, up \$0.03¼ for the week.**

CRUDE OIL – Crude oil markets saw sluggish trading activity this week as markets reacted to a restart of oil-sands facilities in Alberta Canada after wildfires abate and expectations that the OPEC oil ministers meeting on Thursday in Vienna would produce no breakthrough agreement on production cuts to bolster prices. Concerns about US economic growth prospects this week also weighed on the markets after the OECD revised their 2016 U.S. GDP growth projection downward to 1.8% from 2.0%. The U.S. DOE Energy Information Agency reported domestic crude oil stocks last week fell by 1.366 million bbls compared to an expected decline of 2.5 million bbls. Distillates fell by 1.255 million, compared to an expected decline of 891,000 bbls last week, while gasoline stocks declined by 1.492 million bbls, compared to an expected decline of 157,000 bbls. **Crude oil futures (June contract) finished down \$0.17/bbl for the week at \$49.17/bbl.**

USDA Crop Progress / Condition Report, May 31, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	97% planted 88% emerged	94%	100%	88%	77%	76%	74%
ID Barley	100% planted 88% emerged	97%	100%	99%	81%	81%	93%
US Spring Wheat	88% emerged	78%	88%	66%	79%	76%	71%
ID Spring Wheat	92% emerged	90%	99%	90%	76%	75%	82%
US Winter Wheat	84% headed	75%	82%	76%	63% g/ex	62%	40%
ID Winter Wheat	30% headed	19%	42%	16%	85% g/ex	87%	64%
Corn	94% planted 78% emerged	86%	94%	92%			

Weather / Crop Conditions



U.S. –

- **PNW** – An early season heat wave moved through the region, bringing much warmer and drier conditions, with only scattered showers in some areas. A brief cooling trend was expected for the next few days before turning much warmer again by the weekend.
- **Northern Plains** – A rainy start to the week gave way to mostly mild and dry conditions.
- **Central/Southern Plains** – A wide band of severe thunderstorms continued across the Southern Plains this week, but the Central Plains turned mostly dry. Cooler than normal temperatures will linger in the S Plains.
- **Corn Belt** – A wide band of thunderstorms and showers covered the WCB moving eastward in the lower Ohio River Valley. Most of the ECB saw favorably dry conditions allowing a final planting push this week. Warm and wet conditions have allowed the 2016 corn crop to get off to a very favorable start.
- **The 6-10 day outlook** – Above normal temperatures and dry across most of the West and Midwest but near to above normal rainfall in parts of the Intermountain West.

INTERNATIONAL -

- **Canada** – Additional rains have improved soil moisture and yield prospects across the Western Prairies where conditions had been unfavorably dry.
- **Europe** – Concerns have emerged in France that too much rain is slowing crop development and causing localized flooding quality concerns in winter wheat. Conditions are turning drier, easing some of these concerns.
- **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 while winter grain harvest advanced across Syria and 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. Corn harvest was reported to be about 30% completed at the start of the week.
- **Australia** – Most of the grainbelt received favorable rains this week, maintaining early season yield prospects. The extended outlook calls for drier conditions.