

Idaho Grain Market Report, June 16, 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, June 15, 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	\$5.75		\$4.17	\$4.25	\$5.10	\$4.55
Idaho Falls	\$6.00	\$8.90 - \$9.38	\$4.10	\$4.25	\$5.10	\$4.60
Blackfoot / Pocatello	NQ	\$8.15	\$4.10	\$4.25	\$5.10	\$4.60
Grace / Soda Springs	\$6.60		\$4.20	\$4.02	\$4.99	\$4.52
Burley / Rupert	\$6.00	\$9.38	\$4.14	\$3.74	\$4.95	\$4.54
Hazelton						
Twin Falls / Buhl / Wendell	\$6.35-6.75 \$7.75 new crop		\$4.50 new crop	NQ	NQ	
Nampa – Weiser	\$7.26		\$4.15			
Nez Perce / Craigmont	\$5.25		\$4.47	\$4.53	\$5.42	
Lewiston	\$5.75		\$4.73	\$4.79	\$5.68	
Moscow / Genesee	\$5.25-5.75		\$4.50–4.64	\$4.56-4.73	\$5.45-5.64	\$4.73

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 - \$5.27½ -5.58 max 10.5% pro \$5.37¾ -5.60	\$5.31¾ – 5.41¾	\$6.25½ - 6.40½	
Los Angeles	\$8.90-9.10					
Tulare	\$8.90–9.10					
Ogden	\$7.00		\$4.50	\$4.22	\$5.34	\$4.92
Great Falls	\$5.25	\$9.00		\$4.12-4.29 (12%)	\$4.86-5.15	
Minneapolis	\$4.90	NQ		\$4.96¾ (12%)	\$6.00½ - 6.10½	

Market trends this week

BARLEY – Local feed barley and malting barley prices were mostly steady this week. USDA reported export sales totaled 700 MT to Vietnam and Japan and export shipments of 900 MT to Japan and South Korea.

WHEAT – Local wheat prices were lower this week: SWW prices ranged from 18 to 40 cents lower; HRW prices ranged from 15 to 30 cents lower; and DNS prices ranged from 14 to 20 cents lower. USDA reported better than expected export sales of 762.9 TMT last week and export shipments of 351.8 TMT.

Wheat Competitor / Buyer News – The EU wheat crop is pegged at 156.5 MMT, down 2% from last year's record crop. ABARE raised their Australian wheat production forecast from 24.5 MMT to 25.4 MMT based on favorable early growing conditions. Mexico reportedly purchased Black Sea wheat this week. Indonesia is on pace to import 10 MMT of wheat this year, with a considerable amount of that total arriving as feed wheat. Saudi Arabia is tendering for 300 TMT of wheat.

CORN – USDA reported lower than expected corn export sales last week at 909.7 TMT, down 39% from the previous week and down 36% from the previous 4-week average (plus MY 16/17 export sales of 178.7 TMT). Corn export

shipments last week remained very strong at 1.508 MMT – a marketing year high – up 27% from the previous week and up 42% from the previous 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported another uptick in U.S. ethanol production last week, to 1.013 million bpd – up 0.7% from the previous week and up 3.4% from the previous year. U.S. ethanol stocks jumped to 21.2 million bbls, up nearly 5% from the previous week but down 2.2% from a year ago. Corn used to produce ethanol totaled 106.3 million bu, well 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 totals 4.03 billion bu.

Corn Competitor / Buyer News – USDA lowered their Brazilian corn production estimate for MY 15/16 to 77.5 MMT from 81 MMT (trade had expected about 79 MMT) and local experts indicate that another 1-2 MMT will likely be lost to adverse conditions that include drought in north-central region and frost in the south. The Chinese corn crop is pegged at 218 MMT this year, down 3% from last year’s record crop. USDA has pegged Chinese corn carryover at a whopping 101.5 MMT, which represents about 44% of a year’s estimated usage and the second highest stocks level behind last year’s record. Livestock feed demand is increasing in China due to large hog and chicken expansions. China sold 1.55 MMT of corn in their weekly auction this wee. South Korean processor bought 55 TMT of US corn this week while a South Korean feed group purchased 61 TMT of either US or South American origin corn.

Futures Market trends this week

WHEAT – Wheat markets closed mixed to lower to start the week, on expanding harvest hedge pressure as early results signal strong yields and good test weights. Wheat continued to push lower on Tuesday and Wednesday on pressure from a higher dollar and mixed views on global wheat crops. Excessive rains across France, Germany and parts of the Black Sea are raising quality concerns but this is offset by good harvest reports from the U.S. and favorable growing conditions in Canada and Australia. Despite stronger than expected weekly export sales, wheat finished moderately lower on Thursday under pressure from a higher dollar and expanding harvest and strong spring wheat conditions. **Wheat market closes on Thursday, 6/16/16...**

	July 2016	Weekly Summary	Sept 2016	Weekly Summary	Dec 2016	Weekly Summary
Chicago SRW	\$4.72½	Down \$0.22½	\$4.84¾	Down \$0.21¾	\$5.04¼	Down \$0.20½
KC HRW	\$4.50¾	Down \$0.17¾	\$4.68½	Down \$0.17	\$4.93¾	Down \$0.16¼
MGE DNS	\$5.29¼	Down \$0.09¼	\$5.38¾	Down \$0.08	\$5.52¾	Down \$0.09

CORN – Corn posted additional gains on Monday – closing at new contract highs – with support from weather concerns in Brazil and potential heat and dryness in the Midwest in the extended outlook. Corn shrugged off early session profit-taking to finish higher on a round of fresh buying sparked by weather concerns. Corn posted modest losses on Thursday as updated weather forecasts put cooler temperatures and rain back into the extended forecast for the Midwest. **Corn futures contract closes on Thursday, 6/16/16... July 2016 contract at \$4.25¼, up \$0.02¼ for the week, Sept 2016 contract closed at \$4.30½, up \$0.03 for the week and the Dec 2016 contract closed at \$4.35¾, up \$0.05 for week.**

CRUDE OIL – Crude oil markets traded lower this week – falling to a 3-week low under pressure from a higher dollar which bounced on a decisive move by investors back to safe haven investments in anticipation of the Brexit vote next week. Underlying support came from an International Energy Agency report which signaled that the global oil market was essentially balanced after two years of large surpluses due to improving demand and recent supply outages in Canada and Nigeria. The U.S. DOE Energy Information Agency reported domestic crude oil stocks last week fell less than expected – down 933,000 bbls - compared to an expected decline of 2.3 million bbls. Distillates increased by 786,000 bbls, while gasoline stocks decreased by 2.625 million bbls. **Crude oil futures (June contract) finished down \$2.86/bbl for the week at \$46.21/bbl.**

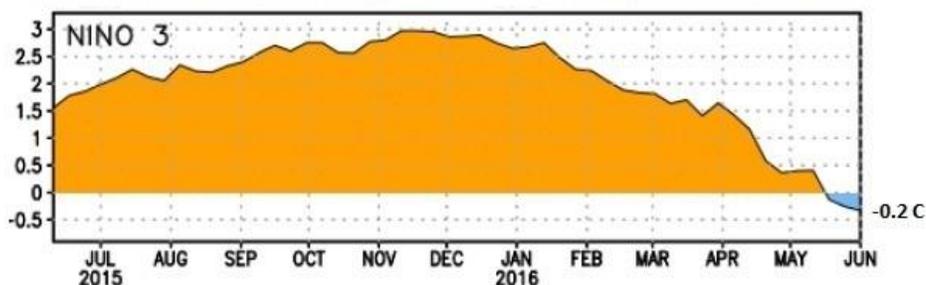
USDA Crop Progress / Condition Report, June 13, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	95% emerged	93%	100%	89%	78%	78%	75%
ID Barley	93% emerged	90%	100%	97%	80%	81%	92%
US Spring Wheat					79%	79%	70%

ID Spring Wheat					76%	76%	82%
US Winter Wheat	96% headed 11% harvested	91%	95%	89%	61% g/ex	62%	43%
ID Winter Wheat	79% headed	59%	85%	49%	86% g/ex	86%	63%
Corn	96% emerged	90%	95%	94%	75%	75%	73%

Weather / Crop Conditions – The strong El Nino episode from earlier this year is gone, quickly being replaced by an emerging LaNina, as depicted below. During the past two months sea surface temperatures in the Nino 3.4 region of the Eastern Equatorial Pacific Ocean have declined precipitously from 1.5C above the mean to 0.2C below the mean. The US Climate Prediction Center has upgraded its forecast to 75% chance that La Nina will develop by late summer into fall.

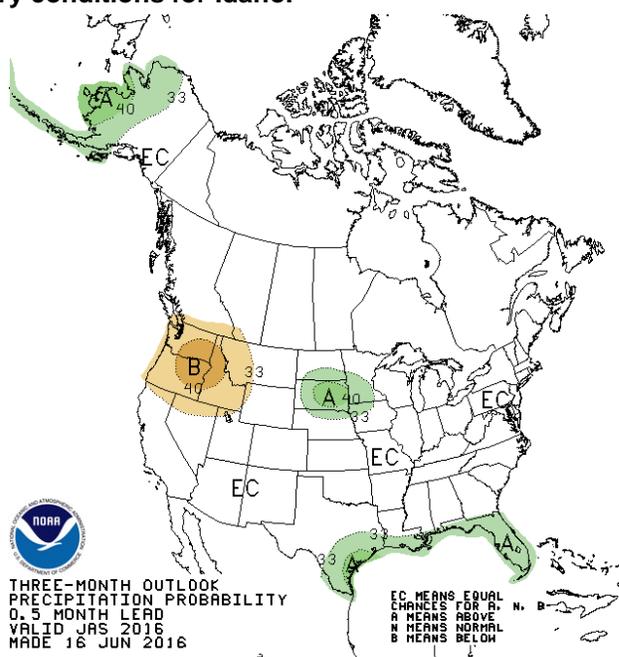
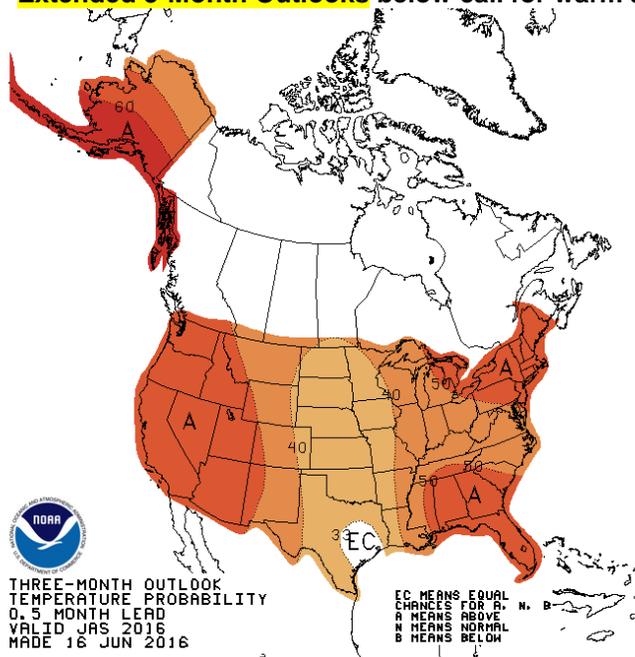
Nino 3.4 Region Temperature Anomalies Equatorial Pacific Sea (C)



Data source Climate Prediction Center

U.S. –

- **PNW** – Cool and showery conditions prevailed this week, with freeze warning in effect Wednesday morning in northern Idaho.
- **Northern Plains** – Cool with scattered showers.
- **Central/Southern Plains** – Mostly dry and hot conditions favored winter wheat maturation and harvest, which was advancing northward through Kansas.
- **Corn Belt** – Mostly warm and dry, with showers confined to the northern and eastern belts.
- **The 6-10 day outlook** – Near to above normal temperatures and dry conditions expected across the Central and Southern Plains and Southwestern Corn Belt. The West will see heat building again. Near to below normal rainfall for most of the country, except parts of the Central Plains into the Eastern Corn Belt.
- **Extended 3-Month Outlooks** below call for warm and dry conditions for Idaho.



INTERNATIONAL -

- **Canada** – Growing conditions remain mostly favorable with warm and showery conditions.
- **Europe** – Several days of sunny weather in the past week are now giving way to more rainfall which is not beneficial to the maturing winter grains across France and Germany. France has received 2-4 times normal rainfall this growing season, particularly in the northern production region where yield potential remains high. Subpar vegetative maps are showing crop conditions deteriorate due to excessive moisture this season along with increased disease pressure.
- **Black Sea region** – Showers are tapering off across Eastern Ukraine, but overall conditions remain favorable. Cool and drier conditions across Southern Russia remain favorable but more rainfall was in the outlook this week which will slow maturation and harvest of winter grains.
- **Middle East** – Showers across central and eastern Turkey slowed winter grain maturation and harvest but boosted soil moisture for summer crops.
- **China** – Wet across portions of northeastern China is beneficial to developing corn crops while the eastern areas of the North China Plains turned favorably dry, aiding maturing winter wheat.
- **South America** – Frost concerns for parts of Southern Brazil are raising concerns about damage to filling second crop corn. Argentina remains mostly dry and cool, allowing corn harvest to advance.
- **Australia** – Most of the grainbelt continues to receive favorable moisture, prompting ABARE to raise their wheat output forecast from 24.5 MMT to 25.4 MMT.