

Idaho Grain Market Report, June 30, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, June 29, 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	\$5.50		\$3.80-3.85	\$4.05	\$5.00	\$4.20-4.25
Idaho Falls	NQ	\$8.90 - \$9.38	\$3.65	\$3.70	\$4.70	\$4.00
Blackfoot / Pocatello	NQ	\$7.00 new crop \$7.50	\$3.65	\$3.70	\$4.70	\$4.00
Grace / Soda Springs	\$6.60		\$3.85	\$3.57	\$4.84	\$4.22
Burley / Rupert	\$5.50	\$9.38	\$3.90	\$3.20	\$4.60	\$4.00
Hazelton						
Twin Falls / Buhl / Wendell	\$6.35-6.60 \$6.70 new crop		\$4.15 new crop	NQ	NQ	
Nampa – Weiser	\$6.84		\$4.23			
Nez Perce / Craigmont	\$5.25		\$4.27	\$4.01	\$5.13	
Lewiston	\$5.75		\$4.53	\$4.27	\$5.39	
Moscow / Genesee	\$5.25-5.75		\$4.30–4.42	\$4.04-4.18	\$5.16-5.35	\$4.18

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			Aug New Crop Ord pro - \$4.94½ -5.20 max 10.5% pro \$4.99½ –5.20	Aug New Crop \$4.89¾ - 4.94¾	Aug New Crop \$5.86 -5.96	
Los Angeles	\$8.90-9.10					
Tulare	\$8.90–9.10					
Ogden	\$6.95		\$4.05	\$3.70	\$5.12	\$4.55
Great Falls	\$5.00-5.25	\$8.00		\$3.62-3.75 (12%)	\$4.58-4.81	
Minneapolis	\$4.90	NQ		\$4.40 (12%)	NQ	

Market trends this week

BARLEY – Local feed barley ranged from steady to 50 cents lower this week. Open market malting barley prices were steady to \$1.15 lower. USDA reported barley export sales last week totaled 1 TMT to Vietnman and export shipments totaled 400 MT to Taiwan.

2016 Barley Acreage Estimate – USDA pegged U.S. barley acreage at 2.967 million, down 17% from last year. Idaho barley planted acreage is pegged at 580,000, unchanged from last year.

Barley Quarterly Stocks – USDA pegged U.S. barley stocks on June 1 at 102 million bu, up 30% from a year ago. The March-May 2016 indicated disappearance is 35.1 million bu, down 11% from the same period a year ago. **Idaho barley stocks on June 1 are pegged at 22.67 million bu, up 57% from a year ago.**

WHEAT – Local wheat prices were lower this week: SWW prices ranged from 7 to 25 cents lower; HRW prices ranged from unchanged to 32 cents lower; and DNS prices ranged from 3 to 30 cents lower. USDA reported wheat export sales were above trade expectations at 645.3 last week, up 39% from the previous week. Wheat export shipments totaled 530.7 679.3 TMT, down 22% from the previous week.

USDA's wheat acreage and quarterly stocks reports were considered bearish against trade expectations, but wheat futures markets stabilized and finished modestly higher on Thursday on spillover support from sharply higher soybeans and better than expected wheat export sales.

2016 Wheat Acreage Estimate – USDA pegs total U.S. wheat acreage at 50.816 million, down 7% from 2015. Winter wheat acreage is estimated at 36.5 million, down 7% from last year but up 1% from the previous estimate. Of this total, HRW acres are pegged at 26.5 million, SRW at 6.58 million and Soft White at 3.42 million. Other spring wheat acreage is estimated at 12.1 million, down 8% from 2015. **The total wheat acreage estimate is ABOVE the average pre-report trade estimate of 49.869 million acres. USDA pegged Idaho wheat acres at 1.231 million, up 2.6% from last year.**

Wheat Quarterly Stocks – USDA pegged U.S. wheat stocks on June 1 at 981 million bu, up 30% from a year ago. This was slightly **BELOW the average pre-report trade estimate of 982 million bu.** The March-May 2016 indicated disappearance is 391 million bu, up 1% from the same period a year ago. **Idaho wheat stocks on June 1 are pegged at 21.77 million bu, up 20% from a year ago.**

Wheat Competitor / Buyer News – Russia plans to ship about 500 TMT of wheat and barley to China this year. Russia's cumulative wheat exports for MY 2015/16 have reached 24.3 MMT, up 14% from the previous year. Jordan purchased 100 TMT of optional origin hard wheat this week, while Tunisia purchased 100 TMT of optional origin soft wheat and 75 TMT barley.

CORN – USDA reported corn exports were below trade expectations at 468 TMT old crop, down 46% from the previous week and down 59% from the previous 4 week average plus 536.1 TMT new crop. Corn export shipments last week remained robust at 1.497 MMT, up 24% from the previous week and up 29% from the previous 4-week average.

Corn reports were bearish against trade expectations, propelling corn futures double digits lower on Thursday.

2016 Corn Acreage Estimate – USDA pegged U.S. corn acreage at 94.1 million, up 7% from last year and the third highest planted corn acreage in the U.S. since 1944. This is **WELL ABOVE the average pre-report trade estimate of 92.896 million acres.**

Corn Quarterly Stocks – USDA pegged U.S. corn stocks on June 1 at 4.72 billion bu, up 6% from a year ago. This was **ABOVE the average pre-report trade estimate of 4.528 billion bu.** The March-May 2016 indicated disappearance is 3.10 billion bu, down 6% from the same period a year ago.

Ethanol corn usage – DOE's Energy Information Agency reported a solid recovery in U.S. ethanol production last week, to 1,003,000 bpd – up 4.3% from the previous week and up 3.6% from the previous year. U.S. ethanol stocks increased slightly to 21.2 million bbls, up 0.3% from the previous week and up 8.4% from a year ago. Corn used to produce ethanol remains strong at 105.3 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 4.34 billion bu.

Corn Competitor / Buyer News – Talk this week that Argentine corn is now cheaper than U.S. origin.

Futures Market trends this week

WHEAT – Wheat markets were under pressure for most of the week with some modest short covering trimming losses. Most of the pressure is coming from harvest hedging and ideas that the US and Russian winter wheat yields are huge. Wheat finished modestly higher on Thursday on short covering sparked by better than expected weekly export sales.

Wheat market closes on Thursday, 6/30/16...

	July 2016	Weekly Summary	Sept 2016	Weekly Summary	Dec 2016	Weekly Summary
Chicago SRW	\$4.31¼	Down \$0.23½	\$4.45½	Down \$0.19½	\$4.65½	Down \$0.19¼
KC HRW	\$4.04¼	Down \$0.18½	\$4.22½	Down \$0.18½	\$4.47¾	Down \$0.19
MGE DNS	\$4.95¼	Down \$0.22½	\$5.08¼	Down \$0.18¼	\$5.23¾	Down \$0.17¾

CORN – Corn began the week fractionally mixed on a combination of short covering and bargain hunting but gave way to additional long liquidation in positioning ahead of Thursday's key USDA acreage and quarterly stocks reports. Corn

finished sharply lower on Thursday - hitting two month lows – on aggressive fund long liquidation triggered by much higher than expected corn acreage and a sharp drop in global feedwheat prices as harvest advances across the EU and Russia. Favorable moisture moving across parts of the western and central belt on Thursday and Friday was expected to ease dry pockets and added to the negative tone as the corn crop moves into the critical pollination period in mostly favorable condition. **Corn futures contract closes on Thursday, 6/30/16... July 2016 contract at \$3.58¾, down \$0.25¾ for the week, Sept 2016 contract closed at \$3.65½, down \$0.23½ for the week and the Dec 2016 contract closed at \$3.71¼, down \$0.23 for week.**

CRUDE OIL – Crude oil trading was highly volatile this week, tied closely to gyrations in the dollar index and prospects for weaker global demand as financial markets remain in turmoil over Brexit. Underlying support came from reports of a potential oil worker's strike in Norway and a crisis in Venezuela's oil sector. The U.S. DOE Energy Information Agency reported domestic crude oil stocks fell more than expected last week – down 4.053 million bbls - compared to an expected decline of 2.4 million bbls. Distillates decreased by 11.801 million bbls, compared to an expected increase of 14,000 bbls while gasoline stocks increased by 1.367 million bbls, ahead of the busy 4th of July travel weekend, compared to an expected decline of 58,000 bbls. **Crude oil futures (Aug contract) finished up \$0.69/bbl for the week at \$48.33/bbl.**

USDA Crop Progress / Condition Report, June 27, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	55% headed	23%	55%	30%	75%	77%	73%
ID Barley	54% headed	25%	63%	43%	75%	74%	91%
US Spring Wheat	56% headed	28%	42%	27%	72%	76%	72%
ID Spring Wheat	63% headed	45%	59%	39%	76%	76%	82%
US Winter Wheat	45% harvested	25%	33%	41%	62% g/ex	61%	41%
ID Winter Wheat	95% headed	93%	99%	80%	79% g/ex	80%	63%
Corn	6% silking	NA	3%	5%	75%	75%	69%

Weather / Crop Conditions –

U.S. –

- **PNW** – Hot and sunny conditions prevailed across the region, maintaining high irrigation demands and causing some moisture stress. The 6-10 day outlook calls for drier than normal and somewhat cooler temps.
- **Northern Plains** – Some areas are beginning to see short term drought east of the Missouri River. The 6-10 day outlook calls for warm and wet conditions.
- **Central/Southern Plains** – Hot temperatures were accompanied by heavy rainfall in parts of KS, NE and MO, disrupting winter wheat harvest. Harvesters report little damage to the large crops but quality is likely going to be affected if the rain persists. The 6-10 day outlook calls for mostly hot and drier conditions..
- **Corn Belt** – A wide belt of showers fired up across the western and central belts on Thursday and Friday, moving eastward into the weekend and early next week. Otherwise conditions were mostly sunny and mild. The 6-10 day outlook calls for warm and wet conditions.

INTERNATIONAL -

- **Canada** – Growing conditions remain mostly favorable.
- **Europe** – Warmer mostly dry conditions are promoting winter grain maturation. France was favorably dry, while rains are slowing winter grain maturation in Germany. Sunny conditions advanced harvest across Spain.
- **Black Sea region** – Continued shower activity is raising some quality concerns in Ukraine and Southern Russia. Showers aided spring grain development across Central Russia.
- **China** – Consistent rainfall across northeastern China is maintaining good soil moisture for summer crops while heavy showers across the Yangtze Valley and North China Plains reduced prospects for unharvested winter wheat.
- **South America** – Central Argentina saw mostly favorable conditions for corn harvest, which is reportedly 38% completed at the start of the week. Showers across other regions are aiding winter grain planting and germination. Meanwhile showers and warmer weather across Southern Brazil benefitted second crop corn. Conditions are expected to remain wet for the next two weeks.
- **Australia** – Most of the grainbelt continues to receive favorable moisture, with forecasters estimating that the eastern and southern regions have a 80% chance of above normal rainfall for the July to September growing season and the Western region a 70% chance of above normal rainfall.