

Idaho Grain Market Report, August 18, 2016

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

**NEW CROP** Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 17, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED</b>	<b>MALTING</b>	<b>Wheat (bu.) Milling</b>			
	<b>48 lbs or better</b>	<b>Open market malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg / Ririe	\$5.00	\$7.00	\$3.80-3.95	\$3.97	\$4.90	\$4.15-4.20
Idaho Falls	NQ	\$8.33-8.35	\$3.75	\$3.95	\$5.05	\$4.15
Blackfoot / Pocatello	NQ	\$7.00	\$3.75	\$3.95	\$5.05	\$4.15
Grace / Soda Springs	\$5.20		\$3.98	\$3.71	\$4.88	\$4.29
Burley / Rupert	\$5.50	\$8.33	\$3.87	\$3.27	\$4.73	\$4.12
Hazelton						
Twin Falls / Buhl / Wendell	\$5.75		\$3.80-4.10	NQ	NQ	
Nampa – Weiser	\$6.00		\$4.05			
Nez Perce / Craigmont	\$4.25		\$4.26	\$4.29	\$5.45	
Lewiston	\$4.75		\$4.52	\$4.55	\$5.71	
Moscow / Genesee	\$4.25-5.00		\$4.29-4.43	\$4.32-4.46	\$5.48-5.68	\$4.46

**Prices at Selected Terminal Markets, cash prices FOB**

	<b>#2 Feed 46 lbs. -- unit trains barge</b>	<b>Malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			<b>Ord pro - \$5.05-5.14 max 10.5% pro \$5.01-5.11</b>	\$4.98¼ -5.28¼	\$6.09¼ -6.24¼	
Los Angeles	\$8.60-8.80					
Tulare	\$8.60-8.80					
Ogden	\$5.75		\$4.30	\$4.05	\$5.25	\$4.65
Great Falls	\$4.75-5.00	\$8.00		\$3.81-3.89 (12%)	\$4.83-4.95	
Minneapolis	\$4.06	NQ		\$4.58¼ (12%)	\$6.14	

**Market trends this week**

**BARLEY** – Local feed barley prices were mixed this week, ranging from minus 50 cents to plus 40 cents. Open market malting barley prices remained mostly steady this week, with one buyer reporting minus 55 cents. USDA reported there was a net reduction in barley sales last week of 100 MT due to cancellations to South Korea and not barley export shipments.

**Barley Competitor/Buyer News** – Jordan is tendering for 100 TMT optional origin feed barley this week.

**WHEAT** – Local wheat prices were mixed this week: SWW prices ranged from minus 12 cents to plus 10 cents; HRW prices ranged from minus 5 cents to plus 11 cents and DNS prices ranged from minus 9 cents to plus 30 cents. USDA reported weekly export sales were on the low end of trade expectations last week at 489.5 TMT, down 19% from the previous week but up 2% from the previous 4-week average. Wheat export shipments were a very robust marketing year high of 717.9 TMT, up 77% from the previous week and up 52% from the previous 4-week average.

**Wheat Competitor / Buyer News** – Talk continued this week that the European wheat crop is not finishing well, particularly in Germany and the Baltics. There was even some talk that France may need to import wheat from the Black Sea region this year. Arabia purchased 640 TMT of optional origin hard wheat this week.

**CORN** – USDA reported weekly corn export sales last week were within trade expectations at 1.21 MMT, but old crop sales were very disappointing 167.4 TMT, down 72% from the previous week and down 61% from the previous 4-week average. Corn export shipments last week remained fairly strong at 1.166 MMT but are still behind the needed pace to reach USDA’s estimate for MY 16/17 which ends August 31.

**Ethanol corn usage** – DOE’s Energy Information Agency reported another positive uptick in U.S.ethanol production last week to tie the previous weekly production record – up 11,000 bpd to 1,029,000 bpd , 1.1% above the previous week and 6.6% above last year. US. ethanol stocks registered another modest downtick to 20.42 million bbls, which was surprising given the larger production, but still 10% above last year’s inventory. Corn used to produce ethanol remains strong at 105.33 million bu.

**Corn Competitor / Buyer News** – China sold 395 TMT of corn reserve stocks out of a total of 3.2 MMT offered this week.

**Futures Market trends this week**

**WHEAT** – Wheat markets closed mostly lower under profit-taking pressures on Monday, sinking to fresh contract lows. Spring wheat values moved higher on concerns about rain delays across parts of the Northern Plains. Wheat continued to trade in a tight range mid week, posting modest gains on spillover support from strong gains in soybeans and a weaker dollar which is helping improve US wheat competitiveness in the world market. Wheat prices posted modest gains on Thursday with support from a weaker dollar which has slumped to a two month low. **Wheat market closes on Thursday.**

	<b>Sept 2016</b>	<b>Weekly Summary</b>	<b>Dec 2016</b>	<b>Weekly Summary</b>	<b>Mar 2017</b>	<b>Weekly Summary</b>
Chicago SRW	\$4.27	Up \$0.04 <sup>1</sup> / <sub>2</sub>	\$4.44 <sup>1</sup> / <sub>4</sub>	Up \$0.04 <sup>1</sup> / <sub>4</sub>	\$4.62 <sup>1</sup> / <sub>2</sub>	Up \$0.00 <sup>1</sup> / <sub>2</sub>
KC HRW	\$4.21	Up \$0.04 <sup>3</sup> / <sub>4</sub>	\$4.46 <sup>3</sup> / <sub>4</sub>	Up \$0.04 <sup>1</sup> / <sub>2</sub>	\$4.62 <sup>1</sup> / <sub>4</sub>	Up \$0.04 <sup>1</sup> / <sub>4</sub>
MGE DNS	\$5.27 <sup>3</sup> / <sub>4</sub>	Up \$0.14	\$5.26	Up \$0.10	\$5.34 <sup>3</sup> / <sub>4</sub>	Up \$0.05 <sup>3</sup> / <sub>4</sub>

**8/18/16...**

**CORN** – Corn continued trading in a narrow choppy range this week, moving modestly higher on support from a more optimistic demand tone, spillover strength from sharp gains in soybeans and ideas that the bearish USDA corn yield estimate of 175 bpa will be the high mark of the year. ProFarmer will conduct its annual corn crop tour next week. Corn prices finished modestly on Thursday on **Corn futures contract closes on Thursday, 8/18/16...** Sept 2016 contract at **\$3.21, down \$0.03<sup>1</sup>/<sub>4</sub> for the week, Dec 2016 contract closed at \$3.31<sup>1</sup>/<sub>4</sub> , down \$0.02<sup>1</sup>/<sub>2</sub> for the week and the Mar 2017 contract closed at \$3.42, down \$0.02<sup>1</sup>/<sub>2</sub> for week.**

**CRUDE OIL** – Crude oil posted strong gains this week, reaching a 6 week high on support from a lower dollar and optimism that OPEC talks next month that will include non-OPEC producer Russia could result in a freeze in crude oil production. There is evidence, however, that Saudi Arabia has been cranking up its production to record levels ahead of next month’s OPEC meeting. U.S. oil production also gained ground last week, reaching 8.597 million bpd. The U.S. DOE Energy Information Agency reported an unexpected decline in domestic crude oil inventories that was not anticipated given the production gains – down 2.508 million bbls, compared to an expected increase of 522,000 bbls. Distillates increased by 1.939 million bbls, while gasoline stocks fell by 2.724 million bbls, compared to an expected decline of 1.6 million bbls. **Crude oil futures (Aug contract) finished up \$3.73/bbl this week to close at \$48.22/bbl.**

**USDA Crop Progress / Condition Report, August 15, 2016**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	55% harvested	32%	59%	34%	71%	72%	65%
ID Barley	<b>56% harvested</b>	<b>35%</b>	<b>52%</b>	<b>34%</b>	<b>77%</b>	<b>77%</b>	<b>83%</b>
US Spring Wheat	48% harvested	30%	46%	30%	66%	68%	70%
ID Spring Wheat	<b>57% harvested</b>	<b>41%</b>	<b>49%</b>	<b>28%</b>	<b>74%</b>	<b>75%</b>	<b>70%</b>
US Winter Wheat	97% harvested	94%	99%	95%			
ID Winter Wheat	<b>72% harvested</b>	<b>55%</b>	<b>87%</b>	<b>61%</b>			

Corn	73% dough 21% dented	53% 9%	65% 18%	60% 21%	74%	74%	69%
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## Weather / Crop Conditions –

### U.S. –

- **PNW** – Late summer heat lingers across the Far West, allowing winter and spring grain maturation and harvest to rapidly advance.
- **Northern Plains** – Warm dry conditions gave way to a low pressure ridge over this region, bringing much cooler air and an active storm system across parts of the Dakotas and Minnesota which may bring more rain over the next 7 days and delay spring grain harvest. The 6-10 day outlook calls for cooler air and mostly dry conditions.
- **Central/Southern Plains** – Very warm conditions prevailed this week with continuing active storms across a wide belt stretching from Texas up into the Ohio River Valley. The extended forecast calls for cooler and wetter conditions.
- **Corn Belt** – An active storm system is moving through the Central and Eastern Corn Belts, bringing excessive moisture to some corn and bean areas, particularly in MO, IL, MN and KY. The 6-10 day outlook calls for below normal temperatures and near normal rainfall.

### INTERNATIONAL -

- **Canada** – Excessive moisture is becoming a concern for grain quality. Malting barley selection rates may be very low in key production areas of Alberta and Saskatchewan.
- **Europe** – After recent excessive rains in Central and Northeastern Europe, conditions have turned drier. This is allowing spring grain harvest to advance and summer crop maturation.
- **Black Sea region** – Showers have provided some relief to recent hot dry conditions.
- **South America** – Argentina has turned drier but rains are expected to return next week. Southern Brazil has received beneficial moisture which will boost new crop corn planting
- **Australia** – Conditions are trending drier, however beneficial showers moved through eastern production region this week.