

**Idaho Grain Market Report, September 15, 2016**

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

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 14, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED 48 lbs or better</b>	<b>MALTING Open market malting</b>	<b>Wheat (bu.) Milling</b>			
			#1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg / Ririe	\$5.10		\$3.50	\$3.62	\$4.64	\$3.84
Idaho Falls	\$5.00	\$8.33	\$3.35- \$3.66	\$3.38 - \$3.70	\$4.75-4.83	\$3.88-3.90
Blackfoot / Pocatello	NQ	\$7.00	\$3.35	\$3.70	\$4.75	\$3.90
Grace / Soda Springs	\$5.20		\$3.51	\$3.56	\$4.70	\$3.96
Burley / Rupert	\$5.30		\$3.60	\$3.45	\$4.74	\$3.85
Hazelton						
Twin Falls / Buhl / Wendell	\$5.50		\$3.50-3.75	NQ	NQ	
Nampa – Weiser	\$6.00		\$3.63			
Nez Perce / Craigmont	\$4.15		\$3.89	\$4.14	\$5.19	
Lewiston	\$4.65		\$4.15	\$4.40	\$5.45	
Moscow / Genesee	\$4.15-4.75		\$3.92-4.018	\$4.17-4.36	\$5.22-5.36	\$4.36

**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 - \$4.74-4.84 max 10.5% pro \$4.74-4.89</b>	\$5.08	\$5.89¾ - 6.04¾	
Los Angeles	\$8.25-8.50					
Tulare	\$8.25-8.50					
Ogden	\$4.70		\$3.90	\$3.89	\$5.02	\$4.40
Great Falls	\$4.75-5.00	\$7.00		\$3.63-3.73 (12%)	\$4.49-4.59	
Minneapolis	\$3.96	NQ		\$4.58¼ (12%)	\$5.48-5.53	

**Market trends this week**

**BARLEY** – Local feed barley prices ranged from minus 25 cents to plus 10 cents this week. Open market malting barley prices remained steady, with many locations offering no bids. USDA reported there were no barley export sales last week and 500 MT of export shipments to Japan.

**BARLEY S&D Projections for MY 2016/17 – Sept 12, 2016 -** USDA made no changes to their monthly barley balance sheet. Final 2016 U.S. barley production and quarterly stocks will be reported on September 30. The average U.S. barley farm-gate price range was left unchanged at \$4.55-5.35/bu. **World barley production was cut modestly by 0.5 MMT to 144.7 MMT, which is down 3% from last year**, with increases for Australia and Canada outweighed by cuts to the EU and Russian crops. World barley ending stocks were pegged slightly lower at 23.4 MMT, down 8% from last year.

**WHEAT** – Local wheat prices were mixed to higher this week: SWW prices ranged from minus 12 cents to plus 1 cent; HRW prices ranged from steady to 7 cents higher; and DNS prices ranged from 5 to 21 cents higher. USDA reported wheat export sales totaled 409 TMT (402.2 TMT in MY 2016/17 and 7 TMT in MY 17/18), down 39% from the previous week and down 11% from the 4-week average. Wheat export shipments were better than expected last week at 708.5 TMT, up 12% from the previous week and up 13% from the 4-week average.

**WHEAT S&D Projections for MY 2016/17 – Sept. 12, 2016** – USDA made no changes to their domestic wheat balance sheet, except for narrowing their farm-gate price projection to \$3.30-3.90/bu. Final 2016 U.S. wheat production and quarterly stocks will be reported on September 30. **World wheat production was increased by 1.4 MMT this month to a new record high of 744.85 MMT, up 12% from last year**, with gains in Australia, India and Kazakhstan more than outweighing cuts to the EU and Chinese crops. World wheat ending stocks were pegged nearly 3.8 MMT lower this month at 249.1 MMT, which is up 3.4% from last year.

**Wheat Competitor / Buyer News** – USDA cut their wheat production estimates for several major world producers this month...cut EU crop by 2.3 MMT this month to 145.3 MMT and cut China's by 2.0 MM to 128 MMT while raising production for Australia by 1.0 MMT to 27.5 MMT, India by 2.0 MMT to 90 MMT and Kazakhstan by 1.5 MMT to 16.5 MMT. Strategic Grains cut their EU soft wheat production estimate by another 1.4 MMT to 136.5 MMT and down 10% from last year. They are projecting milling quality at 59%, down sharply from last year's 71%. ABARE is now projecting the Australian wheat crop will be the second largest ever at 28.1 MMT, compared to an earlier estimate of 25.4 MMT and USDA's estimate this week of 27.5 MMT. There is some concern about quality in the crop in New South Wales due to persistent rains (second highest winter rains in history). The Argentine wheat minister pegged the Argentine wheat crop this week at 15.0 MMT compared to USDA's latest estimate of 14.4 MMT and 11.3 MMT last year. India reportedly purchased 240 TMT of Ukrainian wheat this week.

**CORN** – USDA reported corn export sales were below trade expectations last week at 724.6 TMT (703.5 TMT in MY 16/17 and 21.1 TMT in MY 17/18). Corn export shipments remained strong at 1.129 MMT.

**CORN S&D Projections for MY 2016/17 – Sept. 12, 2016**- **Bearish against trade expectations as USDA did not cut their yield and corn production estimates as much as the trade expected...** USDA increased old crop ending stocks by 10 million bu to 1.716 billion bu, due to lower exports as the 2015/16 marketing year wrapped up. **USDA lowered their 2016 yield estimate by 0.7 bpa to a still record high 174.4 bpa, compared to an average trade guestimate of 173.4 bpa. 2016 corn production was cut by 60 million bu to 15.093 billion bu, compared to an average trade guestimate of 15.027 billion bu.** Domestic feed demand was cut by 25 million bu to 5.65 billion bu and **ending stocks were raised by 25 million bu to 2.384 billion bu, ABOVE the average pre-report trade estimate of 2.329 billion bu.** The average U.S. corn farm-gate price range was tightened to a range of \$2.90-3.50/bu. **World corn production was pegged 1,789 MMT lower this month at a record high of 1,026.6 MMT, up 7% from last year.** World corn ending stocks were pegged 1.3 MMT lower this month at 219.5 MMT, up nearly 5% from last year.

**Ethanol corn usage** – DOE's Energy Information Agency reported an improvement in U.S. ethanol production last week to 1,004,000 bpd, up 0.6% from the previous week and up 4.5% from a year ago. US. ethanol stocks continued to fall to 20.2 million bbls, down 2.2% from the previous week but up 10.5% from a year ago. Weekly corn usage was pegged at 102.73 million bu, which is on pace to reach USDA's projection for the new marketing year.

**Corn Competitor / Buyer News** – USDA cut their MY 15/16 Brazilian corn crop estimate by 1.5 MMT this month to 67 MMT, in line with CONAB's most recent estimate. Brazil imported 295 TMT of corn from other South American neighbors in August, with year-to-date corn imports topping 1 MMT, which is in sharp contrast with their earlier robust export pace. USDA pegged the Chinese crop 2 MMT lower this month at 218 MMT, compared to the most recent ONGOIC estimate of 219.5 MMT. China sold only 2.05 TMT of government corn stocks this week out of 1.21 MMT offered for sale, strongly indicating that a large portion of government stocks are of poor quality.

**Futures Market trends this week**

**WHEAT** – Wheat markets posted moderate gains to start the week on support from stronger than expected export inspections and a weaker dollar which sparked fresh technical buying. A firmer dollar on Tuesday drove wheat prices lower but posted a modest recovery on Wednesday on short covering. Wheat prices finished modestly lower on Thursday on lower exports and spillover pressure from corn. **Wheat market closes on Thursday, 9/15/2016...**

	<b>Dec 2016</b>	<b>Weekly Summary</b>	<b>Mar 2017</b>	<b>Weekly Summary</b>	<b>May 2017</b>	<b>Weekly Summary</b>
Chicago SRW	\$3.99½	Down \$0.04	\$4.22¼	Down \$0.02½	\$4.37	Down \$0.02½
KC HRW	\$4.16	Down \$0.02½	\$4.32	Down \$0.02½	\$4.42½	Down \$0.02½
MGE DNS	\$4.91¼	Down \$0.02¾	\$5.01¾	Down \$0.03	\$5.10¾	Down \$0.03¼

**CORN** – Corn prices closed modestly lower on Monday, pulled lower by double digit losses in soybeans, bearish S&D projections and an overbought technical condition. Prices continued to erode on Tuesday in the face of weak outside markets, especially crude oil and a higher dollar. Corn prices rebounded modestly on Wednesday on short covering

sparked by a weaker dollar and better than expected weekly ethanol production. But these gains could not be sustained as weaker than expected export sales pulled prices modestly lower on Thursday. **Corn futures contract closes on Thursday, 9/15/16...** Dec 2016 contract at \$3.30, down \$0.11 for the week, Mar 2017 contract closed at \$3.40¼, down \$0.11¼ for the week and the May 2017 contract closed at \$3.47, down \$0.11¾ for week.

**CRUDE OIL** – Crude oil prices were highly volatile this week, pulled in different directions by the gyrations in the dollar and ideas about a continued global supply glut and softening demand. The International Energy Agency projected this week that the global crude oil surplus will persist well into 2017 due to declining demand growth in China and India. Earlier this year the IEA projected that world supply and demand would reach equilibrium sometime this year, but that bullish market outlook has since softened significantly. The U.S. DOE Energy Information Agency reported domestic crude oil inventories fell by 559,000 bbls last week, compared to an expected increase of 3.8 million bbls. Distillates rose by 4.619 million bbls, compared to an expected increase of 1.5 million bbls. Gasoline stocks increased by 567,000 bbls, compared to an expected increase of 343,000 bbls. **Crude oil futures (Oct contract) finished down \$1.97/bbl this week to close at \$43.91/bbl.**

**USDA Crop Progress / Condition Report, September 12, 2016**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	95% harvested	91%	98%	92%			
<b>ID Barley</b>	<b>94% harvested</b>	<b>88%</b>	<b>96%</b>	<b>92%</b>			
US Spring Wheat	94% harvested	91%	96%	86%			
<b>ID Spring Wheat</b>	<b>93% harvested</b>	<b>82%</b>	<b>97%</b>	<b>92%</b>			
US Winter wheat	6% planted	NA	7%	7%			
<b>ID Winter Wheat</b>	<b>5% planted</b>	<b>NA</b>	<b>14%</b>	<b>10%</b>			
Corn	87% dented 33% mature 5% harvested	76% 18% NA	84% 31% 4%	82% 32% 7%	74%	74%	68%

**Weather / Crop Conditions –**

**La Nina prospects fading** - The chances of La Niña this fall were rated at 75% in June, but they fell to around 55-60% in July, and again in August to 40%. Eastern Pacific Equatorial sea surface temperatures were cooling, but the pace of cooling has slowed. ENSO conditions are likely to remain neutral through fall. Forecasters have dropped the La Niña watch. The next update from the NOAA Climate Prediction Center will be October 13.

**U.S. –**

- **PNW** –Dry and mostly warm conditions prevailed across the northwest, with a developing storm system bringing cooler and showery conditions and beneficial moisture to parts of the Intermountain West ahead of winter wheat planting. The extended outlook calls for dry and mostly conditions.
- **Northern Plains** –Cool and showery conditions prevailed this week, with a frost advisory issued for northeastern ND and northern MN. The 7-day map shows a continuation of showery conditions as a major storm system moves eastward out of the Intermountain West. The extended outlook calls for drier and warmer conditions.
- **Central/Southern Plains** – A wide band of thunderstorms moved from the southern High Plains through eastern KS this week, with above normal precipitation in the extended outlook.
- **Corn Belt** – Mostly dry and cool conditions prevailed this week, except for storm system which moved through the Middle Mississippi River Valley. The 6-10 day outlook calls for warm and wet conditions, giving way to cool and dry.

**INTERNATIONAL -**

- **Canada** – Recent moisture has hampered spring grain harvest in parts of Saskatchewan and Manitoba.
- **Europe** – Recent showers have replenished soil moisture for winter grain planting and establishment, excepts for parts of the Balkans which continue to be adversely dry. Dry conditions are aiding summer crop maturation and harvest across Spain, Italy and France.
- **Black Sea region** – Warm and dry conditions aided summer crop harvest but concerns about moisture deficits for winter wheat emergence. Southern Russia had the best chances for showers this week while Ukraine remained dry.
- **South America** – Southern Brazilian wheat areas have received adequate to excessive moisture during grain fill and maturation. Eastern Argentine production areas received some beneficial moisture for developing wheat crops.
- **Australia** – Northeastern production region (New South Wales) continued to receive moisture this week, which is mostly unwanted at this stage. By contrast, southeastern and western growing areas continued to see nearly ideal growing conditions as grain crops advances.