

**Idaho Grain Market Report, September 22, 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 21, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

|                                | <b>Barley<br/>(Cwt.)<br/>FEED</b> | <b>MALTING</b>                     | <b>Wheat (bu.)<br/>Milling</b> |                             |                           |               |
|--------------------------------|-----------------------------------|------------------------------------|--------------------------------|-----------------------------|---------------------------|---------------|
|                                | <b>48 lbs or<br/>better</b>       | <b>Open<br/>market<br/>malting</b> | <b>#1 SWW</b>                  | <b>#1 HRW<br/>11.5% pro</b> | <b>#1 DNS<br/>14% pro</b> | <b>#1 HWW</b> |
| Rexburg / Ririe                | \$5.10                            |                                    | \$3.54                         | \$3.68                      | \$4.66                    | \$3.90        |
| Idaho Falls                    | \$5.00                            | \$8.33                             | \$3.45- \$3.71                 | \$3.42 - \$3.80             | \$4.80-4.84               | \$3.92-4.00   |
| Blackfoot / Pocatello          | NQ                                | \$7.00                             | \$3.45                         | \$3.80                      | \$4.80                    | \$4.00        |
| Grace / Soda Springs           | \$5.20                            |                                    | \$3.58                         | \$3.61                      | \$4.70                    | \$4.01        |
| Burley / Rupert                | \$5.00                            |                                    | \$3.68                         | \$3.45                      | \$4.76                    | \$3.93        |
| Hazelton                       |                                   |                                    |                                |                             |                           |               |
| Twin Falls / Buhl /<br>Wendell | \$5.50                            |                                    | \$3.50                         | NQ                          | NQ                        |               |
| Nampa – Weiser                 | \$6.00                            |                                    | \$3.67                         |                             |                           |               |
| Nez Perce / Craigmont          | \$4.10                            |                                    | \$3.96                         | \$4.17                      | \$5.20                    |               |
| Lewiston                       | \$4.60                            |                                    | \$4.22                         | \$4.43                      | \$5.46                    |               |
| Moscow / Genesee               | \$4.10-4.50                       |                                    | \$3.99–4.16                    | \$4.20-4.39                 | \$5.23-5.42               | \$4.39        |

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

|             | <b>#2 Feed<br/>46 lbs. --<br/>unit<br/>trains barge</b> | <b>Malting</b> | <b>#1 SWW</b>  | <b>#1 HRW<br/>11.5% Protein</b>                                       | <b>#1 DNS<br/>14% Protein</b>   | <b>#1 HWW</b> |
|-------------|---|----------------|--|---|---|---------------|
| Portland    |   |                | <b>Ord pro -<br/>\$4.75-4.87<sup>3</sup>/<sub>4</sub><br/>max 10.5% pro<br/>\$4.75–4.92<sup>3</sup>/<sub>4</sub></b> | \$4.97 <sup>1</sup> / <sub>4</sub> - 5.12 <sup>1</sup> / <sub>4</sub> | \$5.89 <sup>3</sup> / <sub>4</sub> - 6.19 <sup>3</sup> / <sub>4</sub> |               |
| Los Angeles | \$8.25-8.50   |                |  |   |   |               |
| Tulare      | \$8.25–8.50   |                |  |   |   |               |
| Ogden       | \$5.60  |                | \$3.93   | \$3.92  | \$5.05  | \$4.10        |
| Great Falls | \$4.25-4.75   | \$7.00         |  | \$3.63-3.69 (12%)   | \$4.45-4.60   |               |
| Minneapolis | \$4.17  | NQ             |  | \$4.52 <sup>1</sup> / <sub>4</sub> (12%)                              | \$5.49 <sup>3</sup> / <sub>4</sub> - 5.64 <sup>3</sup> / <sub>4</sub> |               |

**Market trends this week**

**BARLEY** – Local feed barley prices ranged from minus 30 cents to unchanged but were mostly unchanged this week. Open market malting barley prices remained steady. USDA reported barley export sales totaled 800 MT last week to Vietnam but no export shipments.

**Barley Competitor / Buyer News** – Stats Canada has estimated the total Canadian barley crop at 8.4 MMT, up more than 4% from the previous year due to a rise in yield to 68.3 bpa.

**WHEAT** – Local wheat prices were mostly higher this week: SWW prices ranged from 4 to 10 cents; HRW prices ranged from steady to 10 cents higher; and DNS prices ranged from steady to 6 cents higher. USDA reported wheat export sales were above trade expectations at 561 TMT, up 40% from the previous week and up 30% from the 4-week average. Wheat export shipments totaled 551.6 TMT, down 22% from the previous week and down 12% from the 4-week average. Cumulative wheat export shipments now tally 33.1% of the USDA estimate for the year, compared to a 5-year average pace of 34.8%.

**Wheat Competitor / Buyer News** – Stats Canada has estimated the total Canadian wheat crop at 31.32 MMT, up more than 14% from the previous year, but traders note quality concerns, particularly in the durum crop. Egypt announced they were ending their controversial zero tolerance ergot specification in wheat imports. Morocco purchased 145 TMT of US wheat and 310 TMT of European wheat this week. India reportedly bought 76 TMT of Ukrainian wheat this week.

**CORN** – USDA reported corn export sales were above trade expectations last week at 921.9 TMT. Corn export shipments also remained strong at 1.35 MMT. Cumulative corn export shipments now tally 5.3% of the USDA estimate for the year, compared to a 5-year average pace of 5.4%.

**Ethanol corn usage** – DOE's Energy Information Agency reported a sizeable downtick in U.S. ethanol production last week to 981,000 bpd, down 23,000 bpd or 2.3% from the previous week and down 4.6% from a year ago. Weekly corn usage was pegged at 100.3 million bu, now slightly below the pace needed to reach USDA's projection for the new marketing year.

**Corn Competitor / Buyer News** – Chinese corn stockpile auctions continued to be weak, with 203.4 TMT sold out of total of 1.02 MMT offered and 127.1 TMT sold from an offer of 3.59 MMT.

**Futures Market trends this week**

**WHEAT** – Wheat markets finished fractionally lower in two-sided choppy trading on Monday. Prices closed mimxed to modestly higher on Tuesday on spillover support. Fund buying pulled prices higher on Wednesday, sparked by a lower dollar and Egypt's announcement that is was dropping its controversial zero tolerance ergot requirement. Wheat prices finished modestly lower on Thursday despite a weaker dollar and better than expected weekly export sales. **Wheat market closes on Thursday, 9/22/2016...**

|             | <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 | \$4.05½         | Up \$0.02¼            | \$4.28¼         | Up \$0.03¼            | \$4.42          | Up \$0.03             |
| KC HRW      | \$4.20¾         | Up \$0.03½            | \$4.37¼         | Up \$0.03¾            | \$4.47¼         | Up \$0.03½            |
| MGE DNS     | \$5.01¼         | Up \$0.08½            | \$5.09½         | Up \$0.06¾            | \$5.17¾         | Up \$0.06             |

**CORN** – Corn posted fractional gains to start the week as forecasts keep heavy rains in the Upper Midwest, slowing harvest progress this week. Short covering continued to drive prices modestly higher on Tuesday but gains could not be sustained as prices retreated on both Wednesday and Thursday under the weight of sharp losses in soybeans and expanding harvest hedge pressure. **Corn futures contract closes on Thursday, 9/22/16... Dec 2016 contract at \$3.36¾, down \$0.00¼ for the week, Mar 2017 contract closed at \$3.46¾, down \$0.00½ for the week and the May 2017 contract closed at \$3.54, down \$0.00½ for week.**

**CRUDE OIL** – Crude oil prices rose this week on ideas that OPEC members may be moving closer to a production agreement and US inventories fell for a third consecutive week. The U.S. DOE Energy Information Agency reported domestic crude oil inventories fell by a surprising 6.2 million bbls last week falling to a 7 week low, compared to an expected increase of 3.4 million bbls. Distillates rose by 2.238 million bbls, while gasoline stocks fell by 3.204 million bbls to an 8½ week low, compared to an expected decline of 567,000 bbls. **Crude oil futures (Oct contract) finished up \$2.29/bbl this week to close at \$46.32/bbl.**

**USDA Crop Progress / Condition Report, September 19, 2016**

| Crop            | % Progress                 | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|-----------------|----------------------------|---------------|---------------|----------------|-----------------------------------|---------------|---------------|
| US Spring Wheat | 98% harvested              | 94%           | 99%           | 93%            |                                   |               |               |
| ID Spring Wheat | 98% harvested              | 93%           | 99%           | 98%            |                                   |               |               |
| US Winter wheat | 17% planted                | 6%            | 16%           | 16%            |                                   |               |               |
| ID Winter Wheat | 22% planted                | 5%            | 23%           | 20%            |                                   |               |               |
| Corn            | 53% mature<br>9% harvested | 33%<br>5%     | 48%<br>9%     | 48%<br>12%     | 74%                               | 74%           | 68%           |

**Weather / Crop Conditions –**

## **U.S. –**

- **PNW** – Sharply cooler and showery conditions overspread the Northwest this week, with locally heavy showers in some locations. Conditions are expected to be warmer and drier in the extended outlook.
- **Northern Plains** –Cool and showery conditions prevailed this week, with heavy precipitation across the Montana High Plains.
- **Central/Southern Plains** – Late season heat lingered across the Southern Plains, but beneficial moisture has improved winter wheat planting and establishment. The extended outlook shows mostly warm and wet conditions will continue.
- **Corn Belt** – The Upper Mississippi River Valley saw locally heavy showers this week, slowing harvest in many areas. The 6-10 day outlook calls for warm and wet conditions. The 30 day outlook calls for normal chances of rain and above normal temperatures which should favor summer crop harvesting.

## **INTERNATIONAL -**

- **Canada** – Showery conditions prevailed as grain harvest draws to a close. Quality deterioration is a concern in small grain crops.
- **Europe** – Recent showers have replenished soil moisture for winter grain planting and establishment.
- **Black Sea region** – Warm and dry conditions are rapidly advancing summer crop harvest while raising concerns about soil moisture needed for winter wheat planting and emergence.
- **South America** – Southern Brazilian wheat areas were dry which benefitted wheat maturation and harvest. Southern Argentine wheat areas received beneficial scattered showers.
- **Australia** – Southeastern production region continued to receive moisture, elevating concerns about winter grain crop damage.