

Idaho Grain Market Report, September 30, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 28, 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	\$5.10		\$3.52	\$3.70	\$4.83	\$3.95
Idaho Falls	\$5.00	\$8.33	\$3.40	\$3.80	\$4.90	\$4.00
Blackfoot / Pocatello	NQ	\$7.00	\$3.40	\$3.80	\$4.90	\$4.00
Grace / Soda Springs	\$5.50		\$3.64	\$3.65	\$4.86	\$4.05
Burley / Rupert	\$5.00		\$3.67	\$3.45	\$4.94	\$3.92
Hazelton						
Twin Falls / Buhl / Wendell	\$5.75		\$3.50-3.75	NQ	NQ	
Nampa – Weiser	\$6.00		\$3.64			
Nez Perce / Craigmont	\$4.00		\$3.86	\$4.17	\$5.38	
Lewiston	\$4.50		\$4.12	\$4.43	\$5.64	
Moscow / Genesee	\$4.00-4.50		\$3.84–4.03	\$4.20-4.39	\$5.41-5.54	\$4.39

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 - \$4.73¼ -4.83¼ max 10.5% pro \$4.73¼–4.88¼	\$5.06¼- 5.21¼	\$6.03½ - 6.33½	
Los Angeles	\$8.25-8.50					
Tulare	\$8.25–8.50					
Ogden	\$5.85		\$3.94	\$3.90	\$5.16	\$4.40
Great Falls	\$4.25-4.75	\$7.00		\$3.60-3.72 (12%)	\$4.58-4.81	
Minneapolis	\$4.17	NQ		\$4.51¼ (12%)	\$5.98½	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 30 cents higher in southern Idaho and steady to 10 cents lower in northern Idaho. Open market malting barley prices remained steady. USDA reported barley export sales last week totaled 700 MT to Vietnam and Japan, while export shipments totaled 110 MT to Taiwan.

Final 2016 US & Idaho Barley Production – 2016 U.S. barley production was pegged at 199 million bu, down 9% from last year. The national average yield was 77.9 bpa, up 13% from last year and the highest average yield ever recorded. Harvested area was 2.56 million acres, down 19% from 2014. **Idaho barley harvested acres were steady at 580,000 but production was up 10% to 62.06 million bu.**

Quarterly BARLEY Stocks on Sept. 1 - U.S. barley stocks totaled 230 million bu, up 5% from last year, with June to August 2016 indicated disappearance of 71.5 million bu, down 8% from the same period a year ago. Idaho barley stocks are pegged at 59.63 million bu, up 24% from a year ago.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 13 cents to plus 6 cents; HRW prices ranged from steady to 4 cents higher; and DNS prices ranged from 12 to 18 cents higher. USDA reported wheat export sales were on the high end of trade expectations at 570.8 TMT, up 2% from the previous week and up 20% from the 4-week average. Wheat export shipments were well above trade expectations at 843.4 TMT, up 53% from the previous week and up 36% from the 4-week average.

Final 2016 US & Idaho Wheat Production – 2016 U.S. wheat production was pegged at 2.31 billion bu, up 12% from last year and SLIGHTLY BELOW the average pre-report trade estimate of 2.323 billion bu. The national average yield was 52.6 bpa, up from 21% from last year and a new record high. Winter wheat crop was pegged at 1.67 billion bu, up 22% from last year, and other spring wheat was pegged at 534 million bu, down 11%. All wheat harvested acres were 43.89 million, down 7%. **Idaho wheat harvested acres totaled 1.115 million, down 3%, and production was pegged at 101.855 million bu, up 14%.**

Quarterly WHEAT Stocks on Sept. 1 – U.S. wheat stocks were ABOVE trade estimates and considered bearish at 2.527 billion bu, up 21% from last year, with June to August 2016 indicated disappearance of 758 million bu, up 6% from the same period a year ago. The average pre-report trade estimate for stocks was 2.397 billion bu. Idaho wheat stocks are pegged at 82.299 million bu, up 44% from a year ago.

Wheat Competitor / Buyer News – Coceral lowered their EU wheat production estimate from 148 MMT to 133.8 MMT due to poor weather at harvest. Morocco tendered to buy 304 TMT of U.S. SRW wheat. Tunisia bought 67 TMT of optional origin wheat this week, while Jordan reissued its tender for 100 TMT after recently passing on all offers. India announced they were lowering their wheat import tariff from 25% to 10% and purchased 25 TMT of Australian wheat.

CORN – USDA reported corn export sales were well below trade expectations last week at 575 TMT, down 48% from the previous week. Corn export shipments were better at 1.262 MMT, but still lower than the previous week.

Quarterly CORN Stocks on Sept. 1 – U.S. corn stocks were BELOW the pre-report trade estimates and were considered slightly bullish at 1.738 billion bu, up slightly from a year ago, and June to August 2016 indicated disappearance was 2.97 billion bu, up 9% from the same period a year ago. The average pre-report trade estimate for stocks was 1.754 billion bu.

Ethanol corn usage – DOE's Energy Information Agency reported a rebound in U.S. ethanol production last week to 989,000 bpd, up 8,000 bpd or 0.8% from the previous week and up 4.9% from a year ago. Weekly corn usage improved to 101.15 million bu, back on pace to reach USDA's projection for the new marketing year.

Corn Competitor / Buyer News – Last Friday China announced they were imposing 33.8% anti-dumping duties on US DDGs and this week they announced there were increasing the new import tariff by another 10-15% on Thursday, bringing the new tariff to 44%. Coceral lowered their EU corn production estimate from 62.4 MMT to 60.5 MMT. South Korean feed manufacturer purchased 55 TMT of U.S. corn this week. USDA announced a very large corn purchase by Mexico this week – 1.036 MT in the current MY 2016/17 and 541 TMT in MY 2017/18.

Futures Market trends this week

WHEAT – Wheat markets posted solid losses on Monday despite a weaker dollar and much stronger than expected weekly export shipments. Spillover pressure from weaker bean and corns was the main bearish factor. Prices rebounded higher on Tuesday, supported by rain damage in the Canadian and Australian wheat crops and another Moroccan tender to buy US wheat. Wheat prices finished mixed but mostly higher on Wednesday on signs of improving demand for U.S. wheat. Wheat closed mixed again on Thursday with spillover support offsetting position evening ahead of Friday's USDA quarterly stocks and final small grains production reports. **Wheat market closes on Thursday, 9/29/2016...**

	Dec 2016	Weekly Summary	Mar 2017	Weekly Summary	May 2017	Weekly Summary
Chicago SRW	\$3.99	Down \$0.05³/₄	\$4.21³/₄	Down \$0.06¹/₄	\$4.35¹/₂	Down \$0.06¹/₄
KC HRW	\$4.17¹/₄	Down \$0.04¹/₄	\$4.33³/₄	Down \$0.04¹/₄	\$4.44	Down \$0.04
MGE DNS	\$5.09³/₄	Up \$0.06	\$5.17¹/₄	Up \$0.06³/₄	\$5.24³/₄	Up \$0.06¹/₄

CORN – Corn posted moderate losses to start the week under harvest hedge pressure as the extended weather outlook looks very favorable for harvest to accelerate across the Midwest. Corn was pulled higher by wheat on Tuesday, but gains were short lived as a weaker tone returned on Wednesday in the laskcluster trading. Corn finished fractionally lower on Thursday in positioning ahead of Friday's USDA reports. **Corn futures contract closes on Thursday, 9/29/16... Dec**

2016 contract at \$3.29¼ , down \$0.07¼ for the week, Mar 2017 contract closed at \$3.39, down \$0.07¼ for the week and the May 2017 contract closed at \$3.46, down \$0.06¾ for week.

CRUDE OIL – Crude oil prices continued to rise this week, climbing to a three-week high, with support from the fourth consecutive drawdown in U.S. crude oil stocks and news on Wednesday that major OPEC members have struck an agreement to limit crude oil production, with final details to be worked out at the November OPEC meeting. Reports indicate that Iran, Libya and Nigeria will be exempt from production cuts. The U.S. DOE Energy Information Agency reported domestic crude oil inventories fell by a 1.882 million bbls last week, compared to an expected increase of 3.0 million bbls. Distillate stocks fell by 1.915 million bbls, compared to an expected decline of 14,000 bbls, while gasoline stocks increased by 2.027 million bbls, compared to an expected increase of only 178,000 bbls. **Crude oil futures (Nov contract) finished up \$3.35/bbl this week to close at \$47.83/bbl.**

USDA Crop Progress / Condition Report, September 26, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Winter wheat	30% planted 8% emerged	17% NA	28% 6%	30% 8%			
ID Winter Wheat	38% planted 19% emerged	22% 9%	32% 8%	35% 4%			
Corn	73% mature 15% harvested	53% 9%	66% 16%	64% 19%	74%	74%	68%

Weather / Crop Conditions –

U.S. –

- **PNW** – Very warm and dry conditions returned to this region, but cooler and showery conditions are expected in the 6-10 day outlook.
- **Northern Plains** – Mostly dry weather will give way to cooler and mostly wet conditions.
- **Central/Southern Plains** – Warm weather and mostly dry conditions favored summer crop harvesting and winter wheat planting.
- **Corn Belt** – The Upper Midwest was cool but mostly dry this week, while some areas of the Central and Eastern Corn Belt saw severe storms and localized flooding. The 6-10 day outlook calls for mostly warm and dry conditions in the ECB, favoring summer crop maturation and harvest. Updated forecasts have turned wetter in the WCB.

INTERNATIONAL -

- **Canada** – Mostly dry conditions allowed spring grain harvest to advance, but quality deterioration remains a concern.
- **Europe** – After recent rains, mostly dry conditions favored summer crop harvesting and winter wheat planting.
- **Black Sea region** – Good rain coverage stretch from Southern Ukraine into Southern Russia and the Volga region, boosting soil moisture for winter wheat emergence.
- **South America** – Southern Brazilian wheat areas remained dry, allowing wheat harvest to expand. Argentina received beneficial scattered showers to boost vegetative wheat crops.
- **Australia** – Southeastern production region continued to receive heavy rains, raising serious quality concerns as harvest nears.