

Idaho Grain Market Report, October 6, 2016

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 5, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	Barley (Cwt.) FEED 48 lbs or better	MALTING Open market malting	Wheat (bu.) Milling #1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg / Ririe	\$4.75-5.15		\$3.44-3.65	\$3.64	\$4.98	\$3.85-3.89
Idaho Falls	\$5.00	\$8.33 -8.35	\$3.40-3.70	\$3.70-3.90	\$5.14-5.15	\$3.70-4.10
Blackfoot / Pocatello	NQ	\$6.50	\$3.40	\$3.90	\$5.15	\$3.70
Grace / Soda Springs	\$5.50		\$3.52	\$3.48	\$5.06	\$3.88
Burley / Rupert	\$5.00		\$3.70	\$3.40	\$5.05	\$3.77
Hazelton						
Twin Falls / Buhl / Wendell	\$5.75		\$3.50-3.65	NQ	NQ	
Nampa – Weiser	\$6.00		\$3.62			
Nez Perce / Craigmont	\$4.00		\$3.86	\$4.20	\$5.58	
Lewiston	\$4.50		\$4.12	\$4.46	\$5.84	
Moscow / Genesee	\$4.00-4.50		\$3.89–4.00	\$4.23-4.38	\$5.61-5.74	\$4.38

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 - \$4.50-4.75 max 10.5% pro \$4.70–4.85	\$4.90- 5.10	\$6.14½ -6.49½	
Los Angeles	\$8.25-8.50					
Tulare	\$8.25–8.50					
Ogden	\$5.85		\$4.00	\$3.85	\$5.32	\$4.35
Great Falls	\$4.25-4.75	\$7.00		\$3.55-3.66 (12%)	\$4.69-4.97	
Minneapolis	\$4.17	NQ		\$4.45 (12%)	\$6.29½ - 6.44½	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 5 cents higher in southern Idaho and steady in northern Idaho. Open market malting barley prices remained mostly steady to 50 cents lower this week. USDA reported barley export sales last week totaled 200 MT to Taiwan and Japan, while export shipments totaled 200 MT to Taiwan.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 12 cents to plus 3 cents; HRW prices ranged from minus 17 cents to plus 10 cents; and DNS prices ranged from 11 to 25 cents higher. USDA reported wheat export sales were below trade expectations at 377 TMT, down 34% from the previous week and down 31% from the 4-week average. Wheat export shipments were much better at 700.7 TMT, down 17% from the previous week but up 3% from the previous 4-week average.

Wheat Competitor / Buyer News – The EU approved export licenses for 423 TMT of wheat this week, bringing their seasonal exports to 6.8 MMT, compared to 5.8 MMT for the same period last year. Morocco purchased 260 TMT of U.S. SRW wheat out of tender for 300 TMT. Egypt purchased 240 TMT of Russian wheat this week, with prices drifting higher to near world values.

CORN – USDA reported corn export sales were well above trade expectations and a marketing year high at 2.6 MMT (2.06 MMT in MY 2016/17 and .54 MMT in MY 2017/18) which included 1.4 MMT sales reported to Mexico last week in the USDA daily reporting system. Corn export shipments also remained strong at 1.39 MMT, up 64% from the previous week.

Ethanol corn usage – DOE’s Energy Information Agency reported a downtick in U.S.ethanol production last week to 980,000 bpd, down 9,000 bpd or 0.91% from the previous week but up 3.2% from a year ago. Weekly corn usage totaled 100.29 million bu, once again slipping below the weekly pace needed to reach USDA’s projection of 5.275 billion bu for MY 2016/17.

Corn Competitor / Buyer News – CONAB raised their Brazilian corn crop estimate for MY 2016/17 t 82.3 -83.5 MMT, compared to USDA’s estimate ast month of 82.5 MMT. Brazil’s corn exports in September totaled 2.913 MMT, down from 3.455 MMT for the month last year. The EU cut their 2016 corn production estimate from 62.5 MMT to 59.7 MMT this week, due to some dry late season growing conditions particularly in France.

Futures Market trends this week

WHEAT – Wheat markets opened the week mixed to lower on corn/wheat spread trading and pressure from a rising dollar. The US dollar is poised to move higher with a better than 60% chance that the Federal Reserve will raise interest rates by the end of the year. Friday’s monthly jobs report will be a key indicator in the Fed decision-making process. Wheat finished mixed again on Tuesday in choppy low volume trading, with gains noted in spring wheat futures on concerns about tightening supplies of high protein / high quality milling stocks. Prices charged higher on Wednesday, with wheat leading the way on a mix of active buying and short covering. Signs of new export interest and a lower dollar were the main bullish features. Wheat posted a bearish reversal closing lower on Thursday under pressure from weaker than expected weekly export sales. **Wheat market closes on Thursday, 10/06/2016...**

	Dec 2016	Weekly Summary	Mar 2017	Weekly Summary	May 2017	Weekly Summary
Chicago SRW	\$3.95³/₄	Down \$0.06¹/₄	\$4.17	Down \$0.07³/₄	\$4.31¹/₄	Down \$0.06³/₄
KC HRW	\$4.05	Down \$0.10¹/₂	\$4.21¹/₂	Down \$0.09¹/₂	\$4.32¹/₄	Down \$0.10¹/₄
MGE DNS	\$5.24³/₄	Up \$0.10¹/₄	\$5.28	Up \$0.07	\$5.33	Up \$0.05¹/₄

CORN – Corn posted solid gains to start the week on aggressive short covering and corn/wheat spread trading, sparked by stronger export shipments and rising energies. Modest upside breakout was extended through Tuesday on more fund short covering sparked by concerns about harvest delays from heavy rainfall and flash flooding across the central belt this week. Corn slipped fractionally lower on Wednesday on profit-taking sparked by the expanding harvest and combine reports which show better yields as the harvest moves northward. Corn finished sharply lower on Thursday on pressure from updated weather forecasts which favor drier conditions next week which should help speed the harvest along. **Corn futures contract closes on Thursday, 10/05/16...** Dec 2016 contract at \$3.40¹/₂, up \$0.03³/₄ for the week, Mar 2017 contract closed at \$3.50¹/₄, up \$0.03³/₄ for the week and the May 2017 contract closed at \$3.57¹/₂, up \$0.04 for week.

CRUDE OIL – Crude oil prices continued to chop higher this week, posting a 3¹/₄ month high on support from the 5th consecutive weekly drawdown in U.S. crude oil stocks. This has sparked ideas that the crude oil balance sheet is finally showing evidence of corrective rebalancing, which could support another move higher if OPEC members can successfully conclude their tentative agreement to cut world production at their meeting in Vienna late next month. The U.S. DOE Energy Information Agency reported domestic crude oil inventories fell by another 2.976 million bbls last week, compared to an expected increase of 2.6 million bbls. Distillate stocks fell by 2.359 million bbls, while gasoline stocks increased by 222,000 bbls. **Crude oil futures (Nov contract) finished up \$2.20/bbl this week to close at \$50.44, back above the \$50 psychological level and the best finish since June.**

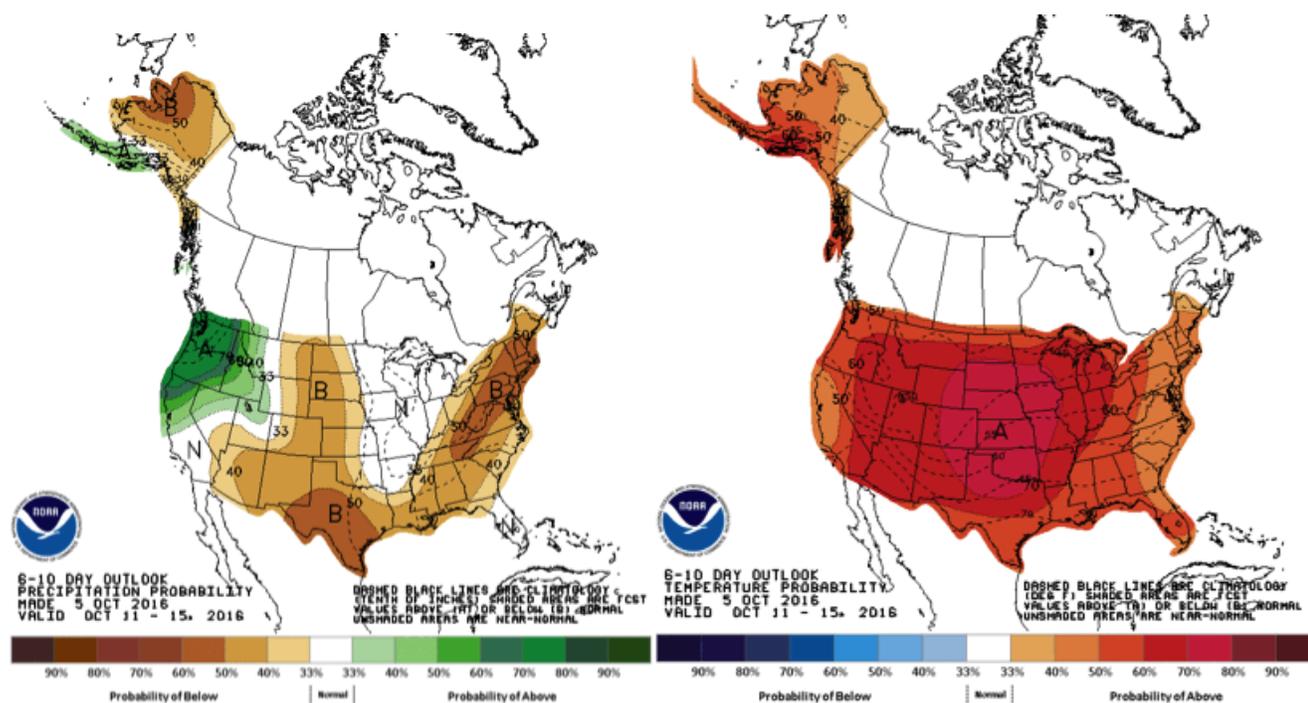
USDA Crop Progress / Condition Report, October 3, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Winter wheat	43% planted 20% emerged	30% 8%	44% 16%	45% 17%			
ID Winter Wheat	50% planted 29% emerged	38% 19%	53% 25%	53% 16%			

Corn	86% mature 24% harvested	73% 15%	82% 24%	79% 27%	73%	74%	68%
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Weather / Crop Conditions – U.S. –

- **PNW** – Mostly drier and cooler conditions prevailed this week, aiding fieldwork. High elevation Central Rockies are seeing rain and snow this week. Warm and wet conditions are in the extended 6-10 day outlook.
- **Northern Plains** – Mostly cool and dry weather overspread the region, aiding fieldwork, with warmer temperatures in the extended outlook.
- **Central/Southern Plains** – Warm weather continued, with locally heavy rains across the eastern belt. Recent precip has helped erased any lingering drought across the High Plains and is boosting soil moisture for winter wheat establishment.
- **Corn Belt** – The central belt saw continued heavy showers and localized flash flooding, with excessive moisture across Iowa raising concerns about potential mold damage in the corn crop. Strong shower activity will persist through this weekend before moving eastward. The 6-10 day outlook calls for above normal temperatures and near to below normal precipitation across the mid-section of the country which should allow harvest to accelerate.



INTERNATIONAL -

- **Canada** – Lingering rain showers have slowed harvest with as much as 25% of the Alberta and about 15% of the Saskatchewan crop still unharvested. Quality concerns are noted in both the malting barley and milling wheat crops.
- **Europe** – Mostly dry conditions after favorable rains last is aiding summer crop harvesting and winter wheat establishment. France is receiving some favorable moisture this week which will help replenish soil moisture and aid in winter grain establishment. Pockets of unfavorably dry soils remain.
- **Black Sea region** – Good rain coverage across Ukraine this week is boosting soil moisture for winter wheat establishment. Southern Russia has ample moisture to establish a good winter wheat stand this year. Mostly dry conditions are aiding spring grain harvest across Central Russia and Kazakhstan.
- **South America** – Rains returned to Southern Brazil this week, delaying winter wheat maturation and harvest. Argentina saw good rain coverage last weekend, boosting their winter grain crops.
- **Australia** – Southeastern production region dried out this week but rains are back in the extended forecast. Harvest is underway. Yield potential has been boosted by these steady showers, but quality concerns persist.