

Idaho Grain Market Report, October 13, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 12, 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	\$4.60		\$3.60	NQ	NQ	\$3.70
Idaho Falls	\$5.00	\$8.33 -8.35	\$3.50	\$3.60	\$5.20	\$3.80
Blackfoot / Pocatello	NQ	\$6.50	\$3.50	\$3.60	\$5.20	\$3.80
Grace / Soda Springs	\$5.50		\$3.65	\$3.49	\$5.14	\$3.89
Burley / Rupert	\$5.00		\$3.55	\$3.45	\$5.02	\$3.74
Hazelton						
Twin Falls / Buhl / Wendell	\$5.75		\$3.67	NQ	NQ	
Nampa – Weiser	\$5.80		\$3.62			
Nez Perce / Craigmont	\$4.00		\$3.81	\$4.05	\$5.54	
Lewiston	\$4.50		\$4.07	\$4.31	\$5.80	
Moscow / Genesee	\$4.00-4.25		\$3.84–4.00	\$4.08-4.24	\$5.57-5.72	\$4.24

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 - \$4.50-4.66¼ max 10.5% pro \$4.66¼ – 4.76¼	\$4.83½ - 4.93½	\$6.11¼ -6.46¼	
Los Angeles	\$8.25-8.50					
Tulare	\$8.25–8.50					
Ogden	\$5.85		\$4.00	\$3.75	\$5.44	\$4.24
Great Falls	\$4.25-4.75	\$7.00		\$3.43-3.57 (12%)	\$4.73-4.94	
Minneapolis	\$4.17	NQ		\$4.28 1/2 (12%)	\$6.41¼ - 6.71¼	

Market trends this week

BARLEY – Local feed barley prices were mostly steady to 15 cents lower in southern ID and steady to 25 cents lower in northern Idaho. Open market malting barley prices remained steady. USDA will report weekly export sales on Friday due to Monday's holiday.

BARLEY S&D Projections for MY 2016/17 – Oct. 12, 2016 - USDA made a few changes to the domestic barley balance sheet ...they raised 2016 barley production by 9 million bu to 199 million bu, based on strong yields; raised domestic feed usage by 10 million bu to 60 million bu and cut exports by 5 million bu to 10 million bu, resulting in a 4 million bu increase in US barley ending stocks to 98 million bu. Barley stocks to use are currently pegged at 44%, an improvement from burdensome 48% last year. The average U.S. barley farm-gate price range was lowered slightly to \$4.50-5.30/bu. **World barley production was cut by nearly 1 MMT to 143.8 MMT, which is down 3% from last year,** with modest cuts noted for the EU, Russia and Canada. World barley ending stocks were cut by 0.54 MMT, down 10% from last year.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 15 cents to plus 13 cents; HRW prices ranged from minus 30 cents to plus 5 cents; and DNS prices ranged from minus 4 cents to plus 8 cents. USDA

reported wheat export shipments totaled 432.8 TMT, with cumulative shipments now running at 40.7% of the USDA estimate for the year compared to a five-year average of 41.2%. Export sales will be reported on Friday due to the Monday holiday.

WHEAT S&D Projections for MY 2016/17 – Oct. 12, 2016 – USDA's supply and demand estimates are considered mostly supportive against trade expectations...they cut beginning stocks by 5 million bu to 976 million, lowered 2016 production by 11 million bu to 2.31 billion bu, raised imports by 10 million bu to 125 million bu; cut domestic feed usage by 70 million bu to 260 million bu and raised exports by 25 million bu to 975 million bu. This resulted in a 38 million bu increase in ending stocks to 1.138 billion bu, BELOW the pre-report trade estimate of 1.153 billion bu. USDA has pegged domestic wheat stocks to use at 50% on par with last year. USDA narrowed their wheat farm-gate price projection to \$3.50-3.90/bu **World wheat production was increased by 0.41 MMT this month to a still record high of 744.4 MMT, up 12% from last year.** World wheat ending stocks were pegged 0.7 MMT lower this month at 248.4 MMT, which is up 3.6% from last year.

Wheat Competitor / Buyer News –South Korea reportedly purchased 100 TMT of Australian wheat. USDA Ag Attache raised Indian wheat import forecast to 3 MMT after the Indian government lowered their wheat import tariff from 25% to 10%.

CORN – USDA reported corn export shipments remained strong last week at 1.132 MMT, now running almost 80% higher than a year ago. Export sales will be reported on Friday due to the Monday holiday.

CORN S&D Projections for MY 2016/17 – Oct. 12, 2016 Changes to the domestic corn balance corn balance sheet are considered mostly neutral against trade expectations...USDA increased old crop ending stocks by 22 million bu to 1.738 billion bu, due to lower exports. They **lowered their 2016 yield estimate by 1.0 bpa to a still record high 173.4 bpa, on par with the average trade estimate of 173.5 bpa. 2016 corn production was cut by 36 million bu to 15.057 billion bu, compared to an average trade guesstimate of 15.060 billion bu. Exports were increased by 50 million bu to 2.225 billion bu, resulting in a 64 million bu reduction in ending stocks to 2.320 billion bu, BELOW the average pre-report trade estimate of 2.359 billion bu.** The average U.S. corn farm-gate price range was raised on both ends to a range of \$2.95-3.55/bu. **World corn production was pegged 917 TMT lower this month at a record high of 1,025.7 MMT, up 7% from last year.** World corn ending stocks were pegged 2.7 MMT lower this month to 216.8 MMT, up 3% from last year.

Ethanol corn usage – DOE's Energy Information Agency reported another sizeable downtick in U.S.ethanol production last week to 962,000 bpd, down 18,000 bpd or 1.8% from the previous week but up 2.3% from a year ago. Weekly corn usage totaled 98.4 million bu, once again slipping below the weekly pace of 101 million bu needed to reach USDA's projection of 5.275 billion bu for MY 2016/17.

Corn Competitor / Buyer News – USDA raised their Brazilian corn production estimate this week by 1 MMT to 83.5 MMT, in line with recent projections from CONAB. As expected, USDA cut their EU corn production estimate by 1 MMT to 60.3 MMT. China sold only 152.9 TMT of government corn stocks this week out of a total of 3.56 MMT offered for sale. USDA reported 116 TMT sold to an unknown destination this week. Indonesia tendered to buy 150 TMT of corn this week.

Futures Market trends this week

WHEAT – Wheat markets opened the week mostly higher on short covering triggered by concerns about dryness in the Western Plains and parts of Western Europe which could affect winter wheat establishment and potential acreage losses in Ukraine due to excessive moisture. Prices continued to chop mostly sideways to modestly higher on Tuesday in follow-through short covering, but gains were short lived as prices finished sharply lower in late session pressure on Wednesday. Wheat posted strong double digit gains on Thursday, boosted by a weaker dollar and a flurry of export tenders. **Wheat market closes on Thursday, 10/13/2016...**

	Dec 2016	Weekly Summary	Mar 2017	Weekly Summary	May 2017	Weekly Summary
Chicago SRW	\$4.16	Up \$0.21¼	\$4.34¾	Up \$0.20	\$4.48½	Up \$0.19¾
KC HRW	\$4.14	Up \$0.11	\$4.31	Up \$0.11½	\$4.41¾	Up \$0.11¾
MGE DNS	\$5.32	Up \$0.10	\$5.31¾	Up \$0.06½	\$5.36½	Up \$0.06

CORN – Corn posted modest gains to start the week on spillover support from winter wheat and crude oil. Prices ground modestly higher on Tuesday with gains limited by pressure from a higher dollar and lower crude oil. Wednesday was a

bearish outside day in active trading, triggered by neutral to bearish supply and demand estimates which show a record harvest underway. Corn surged higher on Thursday, posting the highest close since mid July on support from a weaker dollar and signs of improving export demand. **Corn futures contract closes on Thursday, 10/13/16... Dec 2016 contract at \$3.49½, up \$0.09¾ for the week, Mar 2017 contract closed at \$3.59½, up \$0.10 for the week and the May 2017 contract closed at \$3.66, up \$0.09¼ for week.**

CRUDE OIL – Crude oil prices opened the week sharply higher but then eroded lower through the week on pressure from a stronger dollar which is trading at a 7-month high and doubts that Russia will join in on OPEC deal to curb crude oil output. The U.S. DOE Energy Information Agency reported domestic crude oil inventories increased for the first time in 5 weeks – up 4.85 million bbls, compared to an expected increase of 1.75 million bbls. Distillate stocks fell by 3.746 million bbls, while gasoline stocks fell by 1.907 million bbls. **Crude oil futures (Nov contract) finished up \$2.20/bbl this week to close at \$50.44, up \$0.63/bbl for the week.**

USDA Crop Progress / Condition Report, October 11, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Winter Wheat	59% planted 34% emerged	43% 20%	60% 29%	60% 30%			
ID Winter Wheat	72% planted 49% emerged	50% 29%	71% 36%	71% 28%			
Corn	35% harvested	24%	38%	38%	73%	73%	68%

Weather / Crop Conditions –

U.S. –

- **PNW** – Mostly dry and cooler conditions overspread the region but a slow moving cold front ushered in colder and wetter conditions by the latter half of the week. The extended outlook shows warmer than normal and wet conditions for parts of the PNW region, but colder than normal across eastern Idaho through the Northern Rockies.
- **Northern Plains** – Cold snowy conditions slowed fieldwork this week, with above normal rainfall in the 6-10 day outlook.
- **Central/Southern Plains** – Warm and mostly dry conditions prevailed this week with warm temperatures expected to persist in the extended outlook.
- **Corn Belt** – Another round of showers moved through the Midwest this week, bringing heavy rains to a wide swath stretching from Wisconsin to Missouri and Eastern Plains. The 6-10 day outlook continues to call for warm and wet conditions but could trend drier at toward the end of two week period.

INTERNATIONAL -

- **Europe** – France and Germany could see better rain coverage over the next two weeks.
- **Black Sea region** – Eastern Ukraine received heavy showers which may cause as much as 500,000 ha of winter wheat to go unplanted this fall. Southern Russia received light showers this week.
- **South America** – Rains continued to move through Southern Brazil this week, where wheat harvest is underway. Argentina continued to receive tiely showers, boosting their winter grain crops.
- **Australia** – Southeastern production region saw some light showers after mostly dry conditions last week and an exceptionally wet September which has raised quality concerns. Harvest is underway and traders are expected the second highest yields on record.