

Idaho Grain Market Report, March 16, 2017

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, March 15, 2017. 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	\$4.90- 5.60		\$3.30-3.40	\$4.00	\$5.08	\$4.20-4.40
Idaho Falls		\$8.30 -8.33	\$3.50	\$4.20	\$5.20	\$4.30
Blackfoot / Pocatello		\$6.50	\$3.50	\$4.20	\$5.20	\$4.30
Grace / Soda Springs	\$5.50		\$3.45	\$3.47	\$4.88	\$3.97
Burley / Rupert	\$5.00		\$3.30	\$3.42	\$5.10	\$4.17
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.40		\$3.30-3.51	\$3.55	\$5.00	\$4.15
Nampa – Weiser	\$6.00		\$3.75			
Nez Perce / Craigmont	\$4.00		\$3.89	\$4.36	\$5.85	
Lewiston	\$4.50		\$4.15	\$4.62	\$6.11	
Moscow / Genesee	\$4.00-4.50		\$3.92-4.10	\$4.39-4.53	\$5.88-6.07	\$4.53

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 - \$4.56 - 4.71 max 10.5% pro \$4.56 - 4.90	\$5.27¼ - 5.52¼	\$6.40½ - 6.75½	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65-8.85					
Ogden	\$6.00		\$3.85	\$3.90	\$5.35	\$4.40
Great Falls	\$4.75	\$6.00		\$4.07-4.31 (12%)	\$5.21-5.47	
Minneapolis	\$4.27	NQ		\$4.87¼ (12%)	\$6.30½ - 6.35½	

Market trends this week

BARLEY – Local feed barley prices ranged from minus 10 cents to steady and northern Idaho barley prices were 10 to 25 cents higher. Open market malting barley prices were steady this week. USDA reported barley export sales last week totaled 6.4 TMT to Japan and Taiwan. There were no barley exports reported last week.

Barley Competitor / Buyer News – There are active barley import tenders by several key Middle Eastern feed barley end users this week, including a Saudi Arabian optional origin tender for 1.5 MMT and Jordan for 100 TMT with nearby delivery.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 18 cents to plus 15 cents but were mostly lower; HRW prices ranged from minus 14 to minus 20 cents; and DNS prices ranged from minus 3 cents to plus 20 cents. USDA reported old crop wheat export sales were on the low end of trade expectations at 264.4 TMT (plus MY 2017/18 sales of 74.2 TMT), down 33% from the previous week and down 38% from the previous 4-week average. China reportedly purchased 103 TMT of US wheat to supplement their poorer quality domestic wheat. Wheat export shipments last week were much stronger at 619.3 TMT, up 38% from the previous week and up 28% from the prior 4-week average, including 63 TMT shipped to China.

Wheat Competitor / Buyer News – India’s 2017/18 wheat crop is pegged at 90-92 MMT and imports of 2-3 MMT. Saudi Arabia bought 735 TMT of optional origin hard wheat, with approved origins including the EU, North America, South America and Australia. The U.S. usually gets some of this business, but Texas gulf prices were reportedly 25 to 35 cents/bu above European bids. Egypt’s state wheat trading company made big wheat purchases this week to bolster government wheat stocks, buying 300 TMT of Russian, 60 TMT Ukrainian and 60 TMT of French wheat to help offset declining private company purchases which have been falling since that country devalued its currency last November.

CORN – USDA reported corn export sales were well above trade expectations last week at 1.255 MMT (plus MY 2017/18 sales of 218.1 TMT), up 69% from the previous week and up 70% from the prior 4-week average.. Corn export shipments last week posted a marketing year high of 1.58 MMT, up 9% from the previous week and up 17% from the prior 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported an impressive uptick in U.S.ethanol production despite weak processing margins - up 23,000 bbls last week or 2.3% to 1,045,000 bbls per day, which is up nearly 5% from a year ago. Ethanol stocks continued to taper off slightly to 22.77 million bbls last week, down 0.4% from the previous week and down 0.4% from the previous year. EIA reported that U.S. ethanol exports topped 1 billion gallons in 2016, the second highest yearly exports and up 26% from the year before. Ethanol exports are expected to remain strong, with 2017 exports pegged to increase another 6%. Weekly corn usage for ethanol remained very strong at 109.7 million bu and above the pace needed to reach USDA’s projected usage of 5.4 billion bu. Cumulative corn use is estimated at 2.93 billion bu.

Corn Competitor / Buyer News – Brazil’s safrinha or second corn crop was reportedly 86% planted early this week compared to 95% a year ago and 83% on average. Recent weather has been very favorable for strong yield potential this year, compared to last year, but weather in April will be critical to determining final yield potential. USDA is estimating that the combined Brazilian and Argentine corn crops will be at least 20 MMT higher than a year ago. Reports this week that China purchased at least 2-3 cargoes of old crop U.S. corn and possibly as much as 500 TMT for May/June delivery. Taiwan end users tendered for 65 TMT of U.S. corn this week. South Korean end users bought more than 250 TMT of optional origin corn this week. USDA reported that Mexican end users purchased 120 TMT of new crop U.S. corn this week. But there were also rumors that Mexican end users are attempting to purchase Argentine corn for summer shipment. Israel end users tendered to buy 85 TMT of optional origin corn this week but purchased only 40 TMT. They also passed on feed wheat and barley offers.

Futures Market trends this week

WHEAT – Wheat markets posted double digit losses on Monday under profit-taking pressures triggered by a stronger dollar and technical weakness as wheat contracts move back below long term moving average prices. Wheat prices finished mixed in two sided trading on Tuesday with mild spillover support from corn and a modest downtick in KS and OK weekly crop ratings. Pressure came from updated weather forecasts outlook which show potential for rain in the extended outlook, particularly in the Eastern Plains. Wednesday saw a nice rebound in wheat prices with support from a lower dollar (two week low), strong Egyptian purchase and potential winterkill in parts of the southeastern SRW wheat crop from overnight freezing temperatures that dipped as far south as Alabama and Georgia. Wheat finished mixed to higher today (Thursday) with spring wheat leading the gains. Spillover support came from positive outside market forces and lingering concerns about dry weather across the winter wheat belt. **Wheat market closes on Thursday, 3/16/2017...**

	May 2017	Weekly Summary	July 2017	Weekly Summary	Sept 2017	Weekly Summary
CHI SRW	\$4.36	Down \$0.04½	\$4.51	Down \$0.05¼	\$4.65½	Down \$0.05½
KC HRW	\$4.50	Down \$0.05½	\$4.61¾	Down \$0.05¾	\$4.76	Down \$0.06½
MGE DNS	\$5.48	Up \$0.09½	\$5.53¼	Up \$0.07½	\$5.59¼	Up \$0.07

CORN – Corn closed modestly lower on Monday under pressure from weaker crude oil, a stronger dollar and technical weakness. Corn prices rebounded on Tuesday and Wednesday on light corrective buying triggered by a spirit of supportive demand news, highlighted by better than expected weekly export shipments reaching a marketing year high and reports of China buying at least 2-3 cargoes of old crop U.S. corn and possibly as much as 500 TMT for May/June shipment. Corn posted modest gains on fresh demand news today (Thursday) including stronger than expected weekly export sales and an overnight purchase of U.S. corn by Taiwan. **Corn futures contract closes on Thursday, 3/16/2017...** May 2017 contract at \$3.66, up \$0.02¾ for the week, July 2017 contract closed at \$3.73½, up \$0.01½ for the week and the Sept. 2017 contract closed at \$3.80, down \$0.00¾ for the week.

CRUDE OIL – Crude oil prices chopped in a narrow range this week, but saw some renewed strength mid week from a surprising cut in weekly crude oil inventories and a weaker dollar despite the Federal Reserve’s decision to raise interest rates by .25 pt this week. The Fed’s interest rate hike had been widely anticipated and was already factored into the

market, but the market reacted positively to Fed comments that they don't expect more than two more interest rate hikes this year. The U.S. DOE Energy Information Agency reported the first decline in domestic oil inventories in the past 10 weeks – down 237,000 bbls compared to an expected build of 3.7 million bbls. Distillate stocks decreased by 4.229 million bbls and gasoline stocks fell by 2.13 million bbls. **Crude oil futures finished up \$0.26/bbl for the week to close at \$48.75.**

Weather / Crop Conditions –

U.S. – Weather was mild across the PNW and Northern Rockies this week, with warming temperatures favoring early season field work. The extended forecast shows wetter and warmer than normal conditions persisting. The Midwest saw two rounds of rain and snow showers this week and colder temperatures particularly in the Upper Midwest, which tracked northeastward. By contrast, the Central and Southern Plains remained mostly warm, dry and breezy, rapidly depleting soil moisture. KS reported their topsoil moisture to be 67% short or very short, OK 47% and TX 38%. The 6-10 day outlook calls for near to above normal temperatures and precipitation for most of the country, except for parts of the Southern Plains.

GRAIN MARKETING WORKSHOPS ON MARCH 29 & 30... Five Common Mistakes in Grain Marketing on March 29-30 in Fort Hall & Lewiston sponsored by the Idaho Barley Commission, UI Extension and Northwest Farm Credit Services - featuring Ed Usset, ag economist with the Univ. of Minnesota Center for Farm Financial Management and author of “Grain Marketing is Simple; It Just Isn't Easy”

- Mar. 29 – 8:30 a.m. (continental breakfast) to 10 a.m. at Fort Hall Convention Center, Fort Hall
 - Mar. 30 – 8:00 a.m. (full breakfast) to 11 a.m. at Lindsay Creek Vineyards, Lewiston
- Registration fee is \$20 per person. Pre-registration is requested – Fort Hall workshop please call Kelly Olson, Idaho Barley Commission at 208-409-9165
Lewiston workshop please call Ken Hart, UI Lewis Co. Extension at 208-937-2311

RECORDED webinars...

“How to write a pre-harvest marketing plan” presented by Ed Usset, Univ. of Minnesota grain marketing economist on Feb. 28, 2017. Link at

<https://umn.webex.com/umn/lsr.php?RCID=ec31c25ee120468a8041bb476f66afc4>

“Grain Break-Even Price and Tough Decisions” presented by UI Extension Ag Economist Ben Eborn. Link at...<https://vimeo.com/204575195>