

Idaho Grain Market Report, Feb. 8, 2018

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, Feb. 7, 2018. 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	NQ		NQ			
Idaho Falls		\$8.30 -9.06	\$3.95	\$4.95	\$5.70	\$5.15
Blackfoot / Pocatello		\$6.50	\$3.95	\$4.95	\$5.70	\$5.15
Grace / Soda Springs	\$6.70		\$3.96	\$4.85	\$5.53	\$5.30
Burley / Rupert	\$6.25		\$4.04	\$4.65	\$5.66	\$5.55
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.30-6.50		\$4.06-4.35	\$4.91	\$5.57	\$5.36
Nampa / Weiser	\$6.00		\$4.25			
Nez Perce / Craigmont	\$5.00		\$4.60	\$5.41	\$6.52	
Lewiston	\$5.50		\$4.86	\$5.67	\$6.78	
Moscow / Genesee	\$5.00-5.45		\$4.63-4.78	\$5.44-5.64	\$6.55-6.70	\$5.59

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. --	Malting	#1 SWW Ord pro -	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			\$5.30 -5.47½	\$6.26 -6.46	\$7.27¼ -7.42¼	
Los Angeles	\$8.65-9.00					
Tulare	\$8.65-9.00					
Ogden	\$6.90		\$4.30	\$5.21	\$6.00	\$5.66
Great Falls	\$5.25	\$7.75- 8.00		\$5.21-5.46(12%)	\$6.17-6.30	
Minneapolis	\$5.94			\$5.51 (12%)	\$7.12¼	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 20 cents higher, while open market malting barley prices remained steady this week. USDA reported there were no barley export sales or shipments last week.

BARLEY Monthly S&D Projections – Feb. 8 USDA made no changes to their monthly barley S&D balance sheet other than to tighten the average farm-gate price to \$4.15-4.75/bu.

WHEAT – Local wheat prices were mostly higher this week. SWW prices ranged from minus 5 cents to plus 10 cents; HRW prices ranged from 9 to 19 cents higher; and DNS prices ranged from minus 8 cents to plus 15 cents. USDA reported wheat export sales were within trade expectations at 393.4 TMT (plus MY 18/19 sales of 22.1 TMT), up 36% from the previous week and up 67% from the 4-week average. Wheat export shipments totaled 467.8 TMT, down 9% from the previous week but up 17% from the 4-week average.

WHEAT Monthly S&D Projections – Feb. 8 – Slightly bearish against trade expectations... USDA tweaked their monthly wheat S&D balance sheet, increasing domestic food usage by 5 million bu to 955 million bu and lowering exports by 25 million bu to 950 million bu, resulting in a **20 million bu increase in ending stocks at 1.009 billion bu. This is ABOVE the average pre-report trade estimate of 988 million bu.** The average farm-gate price range was tightened to \$4.55-4.65/bu. **World wheat production is increased this month by 1.2 MMT to a record 758.3 MMT, up 1% from the previous year. World wheat ending stocks are cut by nearly 2 MMT this month to 266.1 MMT, up 5% from last year but BELOW the average pre-report trade estimate of 267.6 MMT.**

Wheat Competitor / Buyer News – IKAR is projecting the 2018 Russian wheat crop at 73-82 MMT, compared to 85 MMT in 2017. Canada pegged their current wheat stocks at 23.55 MMT, down 2.2% from a year ago and below the average pre-report trade estimate. Saudi Arabia purchased 739 TMT of hard wheat this week from multiple origins. Egypt purchased 180 TMT of Russian wheat last Friday, with their total wheat imports this year running 34% ahead of last year's pace.

CORN – USDA reported corn export sales were on the high end of trade expectations last week at 1.769 MMT, down 4% from the previous week but up 27% from the 4-week average. Corn export shipments last week totaled 961.2 TMT, down 8% from the previous week but up 22% from the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported an uptick in weekly U.S. ethanol production – up 1.6% or 17,000 bbls/day to 1.057 million bbls/day, which is up slightly from a year ago. Ethanol stocks increased to 23.489 million bbls, up 1.9% from last week and up 6.4% from a year ago. Weekly corn usage for ethanol remains strong at 109.96 mbu, above the weekly pace needed to reach USDA's estimate for MY 2017/18 of 5.525 billion bu. Cumulative year-to-date corn use now totals 2.51 billion bu.

CORN Monthly S&D Projections- Feb. 8 – Bullish against trade expectations...USDA increased the U.S. corn export estimate this month by a larger than expected amount – up 125 million bu at 2.05 billion bu, resulting in a **125 million bu cut in ending stocks at 2.352 billion bu. This is BELOW the average pre-report trade estimate of 2.467 billion bu.**

The average farm-gate price of corn is tightened to \$3.05-3.55/bu. **World corn production is cut by 2.9 MMT this month due to lower Argentine production at 1,041.7 MMT, down 3% from a year ago. World corn ending stocks are also cut by 3.5 MMT to 203 MMT, down 12% from a year ago and BELOW the average trade estimate of 204.2 MMT.**

Corn Competitor/Buyer News – CONAB is now projecting their Brazilian corn crop at 88 MMT, down from last month's estimate of 92.3 MMT and last year's 97.8 MMT. USDA left their Brazilian corn crop estimate unchanged today at 95 MMT but lowered their Argentine production estimate by 3 MMT to 39 MMT, which is line with most trade estimates. USDA announced several major single day U.S. corn sales again this week – 120 TMT to Japan, 105 TMT to unknown. Taiwan purchased 55 TMT of U.S. corn this week, while a South Korean feeder passed on offers under its tender for 165 TMT, citing too high prices. The Chinese National Grain & Oilseeds Information Center is projecting a corn deficit of 25.6 MMT in the coming marketing year, based on lower production and rising demand. Chinese government announced they were launching an antidumping and subsidies investigation against U.S. sorghum imports, which have escalated in recent years.

Futures Market trends this week

WHEAT – Wheat prices opened the week lower on technical selling but rebounded nicely on Tuesday bwith uying triggered by spillover support from corn and soybeans and expanding drought conditions across the U.S. Southern Plains. Wednesday saw wheat prices continue to climb on a short covering bounce. Wheat finished lower today (Thursday) under pressure from a slightly bearish monthly stocks report which showed higher than expected U.S. ending stocks. **Wheat futures contract closes on Thursday, 2/01/2018...**

	Mar 2018	Week Change	May 2018	Week Change	July 2018	Week Change
CHI SRW	\$4.56 ¹ / ₄	Up \$0.09 ¹ / ₂	\$4.69 ¹ / ₄	Up \$0.09 ¹ / ₂	\$4.82 ¹ / ₂	Up \$0.09
KC HRW	\$4.74 ¹ / ₂	Up \$0.14 ¹ / ₄	\$4.89 ¹ / ₂	Up \$0.11 ¹ / ₄	\$5.06 ¹ / ₄	Up \$0.12
MGE DNS	\$6.13	Up \$0.09 ¹ / ₄	\$6.25 ¹ / ₄	Up \$0.10 ¹ / ₂	\$6.34 ¹ / ₂	Up \$0.11

CORN- Corn prices began the week lower under pressure from technical selling but rebounded higher on Tuesday on continued support from hot and dry conditions in Argentina and and 2nd crop corn planting delays in Brazil. Corn finished higher on Wednesday, reaching 14-week highs, on South American crop worries and increasing Chinese demand. Corn traded nearly unchanged today (Thursday) with some pressure from ideas that northern Argentine corn production areas could receive beneficial moisture this weekend, during the critical pollination stage. **Mar. 2018 contract closed on Thursday, 2/01/2018 at \$3.65³/₄, up \$0.04¹/₄ for the week, May 2018 contract closed at \$3.73¹/₄, up \$0.03³/₄ for the week and July 2018 contract closed at \$3.81, up \$0.03³/₄ for the week.**

CRUDE OIL – Crude oil futures saw some serious price whiplash this week. Prices fell to a 6-week low today, with prices weighed down by booming U.S. oil production, stock market uncertainties and a rising dollar. The U.S. EIA reported U.S. production topped a new record 10.25 million bbls per day last week, catapulting the U.S. into the #2 oil producer behind Russia and ahead of Saudi Arabia. EIA reported that weekly domestic oil stockpiles increased by 1.9 million bbls last week, below the expected increase of 2.8 million bbls. Distillate stocks increased by 3.9 million bbls, compared to an

expected decline of 800,000 bbls. Gasoline stockpiles increased by 3.4 million bbls, above the expected increase of 200,000 bbls. **Crude oil futures finished down \$4.30/bbl for the week to close at \$61.15/bbl (Mar contract).**

REGISTER NOW for IBC GRAIN MARKETING WORKSHOPS featuring Brian Rydlund, CHS grain analyst and hedger, Minneapolis, MN on Feb. 13-14...

Feb. 13 from 9 a.m. to noon at the AmericInn in Rexburg.

Feb. 14 from 8 a.m. to 11 a.m. at Red Lion Inn in Pocatello.

There is no workshop fee, but we ask that you **pre-register** by calling Kelly Olson, IBC, at 208.409.9165 or emailing kolson@barley.idaho.gov

RECORDED DEC. 14, 2017 GRAIN MARKETING WEBINAR... Five Common Mistakes in Grain Marketing featuring Ed Usset, University of Minnesota Center for Farm Financial Management. Link at <https://umn.webex.com/umn/lsr.php?RCID=ae9df66dac774406b1dd375c7f9e2a30>

RECORDED Dec. 1, 2017 WEATHER WEBINAR... Winter 2018 Weather & Water Outlook featuring Troy Lindquist, NWS Senior Hydrologist. Link at <https://vimeo.com/246010744>

RECORDED March 2017 GRAIN MARKETING WEBINAR... How to Write a Pre-Harvest Grain Marketing Plan, featuring Ed Usset, Univ. of Minnesota. Link at <https://umn.webex.com/cmp3200/webcomponents/jsp/docshow/closewind>