

Idaho Grain Market Report, January 10, 2019—NEW CROP PRICES

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 lwilder@barley.idaho.gov 208-334-2090 www.barley.idaho.gov



Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 9, 2019. 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% Protein	#1 DNS 14% Protein	#1 HWW
Rexburg / Ririe	7.00		4.80	5.15	5.30	5.35
Idaho Falls		8.30-8.33	4.65	4.85	5.15	5.25
		8.30-8.33	4.65	4.85	5.15	5.25
Grace / Soda Springs	6.55		4.66	4.88	5.12	5.28
Burley / Rupert	6.25		4.71	4.61	5.16	5.21
Twin Falls / Buhl Jerome / Wendell	5.00-6.50		4.40-4.65	4.85	5.10	5.25
Nampa / Weiser			4.97			
Nezperce / Craigmont	5.21		5.40	6.66	5.91	
Lewiston	5.73		5.66	5.92	6.17	
Moscow / Genesee	5.24-5.43		5.43-5.55	5.69-5.84	5.94-6.06	5.84

Prices at Selected Terminal Markets, cash FOB

Wednesday, January 9, 2019. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	#2 Feed Barley 46 lbs. --	Malting Barley	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			6.15-6.35	6.58-6.69	6.62-6.76	
Ogden	7.35		4.96	5.18	5.42	5.58
Great Falls	6.25-6.50	8.20-8.25		5.36-5.45	5.47-5.55	
Minneapolis					6.76-7.01	

Market News and Trends This Week

BARLEY—Local feed barley prices were mostly steady at Idaho elevators this week but jumped \$0.25 in one location over prices from the previous report on December 20, 2018, while open market malt barley prices were unchanged. NOTE: Due to the government shutdown, weekly U.S. export sales data is unavailable.

Barley Trends/News—Anheuser-Busch InBev, the world's largest brewer announced January 10 that it's issuing \$15.5 billion of bonds with maturities as long as 40 years, with proceeds used in part to buy back up to \$16.5 billion of notes due from 2021 to 2026—essentially extending its more than \$100 billion debt load likely to relieve the burden of paying higher principal payments in the next few years. In 2026 alone, it has more than \$10 billion of debt scheduled to mature, more than double what it owes in 2020, according to data compiled by Bloomberg. "This is a somewhat bold move for a company that's just a month removed from a Moody's Investors Service downgrade to the lowest investment-grade tier." Analysts attributed the rating cut to the fact that AB InBev's leverage is expected to remain elevated in the near future with the brewer already opting to reduce dividend payouts to shareholders by half, aiding its cash flow. If the first two weeks of 2019 are any indication, debt investors seem to be buying. According to Bloomberg, AB InBev is particularly worth watching is because it's considered one of the leveraged behemoths that could cause chaos in the corporate debt market if its rating were ever to fall below investment grade. Bloomberg reported that the sale was said to draw orders of around \$40 billion, which allowed AB InBev to increase the size of the offering. Analysts said AB InBev is going to have to cut back on the ambitious deals and commit to the hard work of deleveraging and stabilizing its credit rating. S&P Global Ratings has had a negative outlook on AB InBev's A- rating since March 2017. It considers the brewer's competitive position "excellent" but its financial risk "significant." Bloomberg added that AB InBev is so far moving in the right direction. The move of extending debt at least gives executives some breathing room to get the company's balance sheet back in order.

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Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mixed this week. SWW prices ranged from \$0.06 lower to \$0.14 higher than the last report dated December 20, 2018; HRW prices were \$0.15 lower to \$0.12 higher; DNS prices were \$0.15 lower to \$0.08 higher; and HWW prices mostly trended lower at \$0.15 lower to \$0.02 higher. NOTE: Due to the government shutdown, weekly U.S. export sales data is unavailable.

Wheat Trends/News—USDA was scheduled to update its 2018-19 Supply & Demand tables on January 11, but that report has been temporarily delayed until after the partial government shutdown ends. In the absence of USDA's monthly update, old-crop balance sheets, along with an early look at the 2019-20 marketing year, indicates improving cash prices according to analysts. The outlook for 2018-19 ending stocks is probably less optimistic than USDA's last estimate with less use projected primarily due to lower feed and residual usage. It appears winter wheat seedings could decline by 435,000 acres from last year, but a similar increase in spring wheat plantings should hold total U.S. acreage unchanged. With an estimated yield of 47.8 bu. per acre and about 100 million bu. less beginning stocks, total supplies would drop. With use expected to remain steady in the coming year, carryover could tighten by 110 million bu and increase average cash prices. In other news, a new round of trade talks between the U.S. and China has been officially scheduled for January 30-31 and will feature high level trade officials from each country. The Chinese could continue to secure U.S. agricultural goods, including wheat, ahead of the talks.

CORN—U.S. cash corn prices have been stronger in early 2019. Winter weather and related logistical issues, as well as lower futures prices have discouraged grower selling. Improving weather is driving increased selling now which will pressure cash prices. NOTE: Due to the government shutdown, weekly U.S. export sales data is unavailable.

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending January 4 averaged 1.0 million bbls/day – down 1.09% from the previous week and up 0.40% over last year. Total ethanol production for the week came in at 7.0 million barrels. Ethanol stocks were 23.254 million bbls on January 4, up 0.40% from last week and up 2.35% from last year. An estimated 103.18 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 1.93 billion bu. The USDA estimates 107.483 million bu per week is needed for the total crop year estimate of 5.6 billion bu.

Futures Market News and Trends This Week

WHEAT FUTURES—Wheat futures were mixed this week with SRW and HRW dropping, and DNS making small gains.

Across classes, wheat futures prices finished ranging from \$0.08½ lower to \$0.01½ higher for the week. Wheat futures settlement prices (per bu) for Thursday, January 10, 2019:

	Mar 2019	Week Change	May 2019	Week Change	Jul 2019	Week Change	Sep 2019	Week Change
CHI SRW	\$5.13¾	-\$0.03¼	\$5.19¾	-\$0.03	\$5.24¼	-\$0.05¼	\$5.32¾	-\$0.06
KC HRW	\$4.98¾	-\$0.07¼	\$5.10	-\$0.07½	\$5.19½	-\$0.08½	\$5.31½	-\$0.08¼
MGE DNS	\$5.70½	\$0.00¼	\$5.76	\$0.00½	\$5.83	\$0.01¼	\$5.90¾	\$0.01½

CORN FUTURES—Corn futures were down across the board compared to the previous week. **March 2019 contract closed Thursday, January 10 at \$3.76¼ down \$0.06¾ for the week, May 2019 contract closed at \$3.84½ down \$0.06½, July 2019 contract closed at \$3.92¼, down \$0.06 over the previous week, and September 2019 closed at \$3.95, down \$0.04¾ for the week.**

CRUDE OIL FUTURES—U.S. West Texas Intermediate and international-benchmark Brent crude oil futures are traded higher to end the week, keeping the markets on track for solid weekly gains. Underpinning the markets for the past two weeks has been the start of the OPEC-led production cuts. Helping to drive the momentum this week has been hopes the United States and China may soon reach a preliminary deal to end their on-going trade dispute.

EIA reported U.S. crude oil refinery inputs averaged 17.6 million bbls/day during the week ending January 4, 28, 194,000 bbls/day less than last week's average. Refineries operated at 96.1% of capacity last week. As of January 4, there was a decrease in Crude Oil stocks of 1.680 million bbls over last week to 439.738 million bbls, over the 5-year average of 405.418 million bbls. Distillate stocks increased by 10.611 million bbls to a total of 140.042 million bbls, under the 5-year average of 148.497 bbls; while gasoline stocks increased by 8.066 million bbls to 248.062 million bbls, over the 238.341 million bbl 5-year average. The national average retail regular gasoline price was \$2.237 per gallon on January 7, \$0.029 lower than last week's price and \$0.285 under a year ago. The national average retail diesel fuel price was \$3.013 per gallon, \$0.035 per gallon below last week's level but up \$0.017 over a year ago.

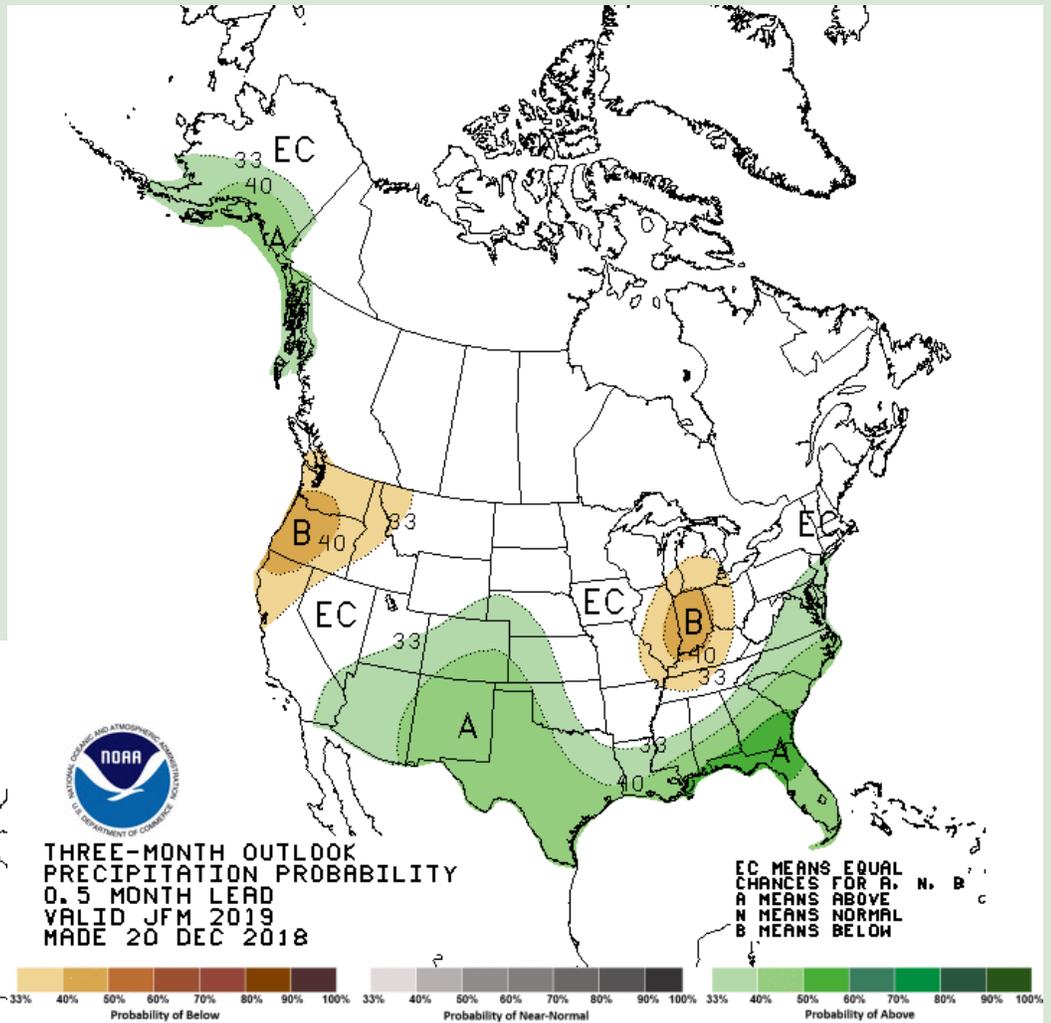
Oil Futures finished up for the week to close at \$59.59/bbl on Thursday, January 10, 2019 (February contract), up \$4.81 over the previous week.

The first weekly USDA Crop Progress and Condition Report for 2019 will be released April 1, 2019.

USDA U.S. Crop Weather Highlights and USDA International Crop Weather Highlights
WILL RETURN WHEN FEDERAL GOVERNMENT SHUTDOWN ENDS

National Weather Service 3-Month Precipitation and Temperature Outlook

Precipitation outlook
for January, February
and March 2019



Temperature outlook for
January, February
and March 2019

