

Idaho Grain Market Report, Mar. 8, 2018

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Mar. 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 | \$7.25 | | NQ | NQ | NQ | NQ |
| Idaho Falls | | \$8.30-9.06 | \$3.90 | \$5.15 | \$5.50 | \$5.40 |
| Blackfoot / Pocatello | | \$6.50 | \$3.90 | \$5.15 | \$5.50 | \$5.40 |
| Grace / Soda Springs | \$7.00 | | \$4.10 | \$4.92 | \$5.63 | \$5.62 |
| Burley / Rupert | \$6.25 | | \$4.00 | \$4. | \$5.49 | \$5.5342 |
| Hazelton | | | | | | |
| Twin Falls / Buhl / Jerome / Wendell | \$5.75-6.75 | | \$4.19 | \$4.90 | \$5.60 | \$5.40 |
| Nampa / Weiser | \$5.75 | | \$4.55 | | | |
| Nez Perce / Craigmont | \$5.81 | | \$4.80 | \$5.84 | \$6.60 | |
| Lewiston | \$6.33 | | \$5.06 | \$6.10 | \$6.86 | |
| Moscow / Genesee | \$5.81-5.95 | | \$4.83-4.98 | \$5.87-6.02 | \$6.63-6.78 | \$6.02 |

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 | | | \$5.40 -5.78 | \$6.69¼ –6.89¼ | \$7.35 -7.50 | |
| Los Angeles | \$8.65-9.00 | | | | | |
| Tulare | \$8.65-9.00 | | | | | |
| Ogden | \$7.30 | | \$4.35 | \$5.22 | \$5.98 | \$5.82 |
| Great Falls | \$5.25-5.75 | \$7.50- 8.25 | | \$5.69-5.83(12%) | \$6.20-6.28 | |
| Minneapolis | \$5.94 | | | \$5.99¼ (12%) | \$7.50-7.60 | |

Market trends this week

BARLEY – Local feed barley prices were steady to 36 cents higher, while open market malting barley prices remained steady this week. USDA reported barley export sales of 15 TMT last week, all to Canada, and barley export shipments of 300 MT to Japan and Taiwan.

BARLEY Monthly S&D Projections – Mar. 8 USDA made only one very minor change to their monthly barley S&D balance sheet by raising exports by 1 million bu to 6 million bu and lowering ending stocks by the same amount to 60 million bu, down 43% from the previous year. USDA tightened the average barley farm-gate price to \$4.20-4.70/bu.

WHEAT – Local wheat prices were mixed this week. SWW prices ranged from minus 5 cents to plus 5 cents; HRW prices ranged from minus 22 cents to plus 17 cents; and DNS prices ranged from minus 12 cents to plus 10 cents. USDA reported wheat export sales last week were on the high side of trade expectations at 391.5 TMT (plus MY 18/19 sales of 36.9 TMT), up noticeably from the previous week and up 28% from the previous 4-week average. Wheat export shipments last week totaled 361.4 TMT, up 9% from the previous week and up 5% from the 4-week average.

WHEAT Monthly S&D Projections – Mar. 8 – Slightly bearish against trade expectations... USDA cut U.S. wheat export by more than expected – down 25 million bu to 925 million bu and **increased ending stocks by 25 million bu to 1.034 billion bu, ABOVE the average pre-report trade estimate of 1.007 billion bu.** The average farm-gate price range was tightened to \$4.60-4.70/bu. **World wheat production was increased this month by 0.5 MMT to a record 758.8**

MMT, up 1.1% from the previous year. World wheat ending stocks were increased by nearly 2.8 MMT this month to 268.9 MMT, up 6.4% from last year and ABOVE the average pre-report trade estimate of 265.8 MMT.

Wheat Competitor/Buyer News – Russian wheat prices have climbed to a three year high recently, amidst a strong export pace of 27 MMT, 43% ahead of last year. Egypt bought 175 TMT of Russian wheat this week. ABARE is projecting Australia’s MY 2018/19 wheat crop at 23.7 MMT, up 12% last year’s drought-reduced crop. La Nina tends to favor increased yields across eastern and southern Australia production areas.

CORN – USDA reported U.S. corn export sales last week were above trade expectations at 1.858 MMT (plus MY 18/19 sales of 70.3 TMT), up 8% from the previous week and up 6% from the 4-week average. Corn export shipments totaled 1.077 MMT, down 13% from the previous week but up 10% from the 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported an uptick in weekly U.S.ethanol production – up 1.3% or 13,000 bbls/day to 1.057 million bbls/day, which is up 3.4% from a year ago. Ethanol stocks continued to climb by 0.7% to 23.144 million bbls, which is up 1.3% from a year ago. Weekly corn usage for ethanol remains strong at 109.96 mbu and ahead of the weekly pace needed to reach USDA’s revised estimate for MY 2017/18 of 5.575 billion bu. Cumulative year-to-date corn use now totals 2.94 billion bu.

CORN Monthly S&D Projections- Mar. 8 – **Bullish against trade expectations...**USDA increased U.S. ethanol usage by 50 million bu to 5.575 billion bu and increased corn exports by 175 million bu to 2.225 billion bu, resulting in a **225 million bu cut in ending stocks to 2.127 billion bu. This was BELOW the average pre-report trade estimate of 2.313 billion bu.** The average farm-gate price of corn was tightened to \$3.15-3.55/bu. **World corn production was left unchanged at 1,141.7 MMT, down 3% from a year ago. World corn ending stocks were cut by nearly 4 MMT to 199.2 MMT, down 14% from a year ago but slightly ABOVE the average trade estimate of 198.9 MMT.**

Corn Competitor/Buyer News – USDA cut their Argentine corn production estimate today by 3 MMT to 36 MMT, which was line with the average pre-report trade estimate of 36.5 MMT, but still higher than some local crop watchers who have pegged their crop as low as 32-33 MMT. USDA trimmed their Brazilian corn production estimate by only 0.5 MMT to 94.5 MMT, which remains well above the average pre-report trade estimate of 91.6 MMT and some local crop forecasters who have pegged their crop at 86-89 MMT. The uncertainty comes from delayed second crop plantings which puts both final acreage and yields into question. Informa has pegged the Argentine crop at 33.5 MMT and Brazilian crop at 89 MMT. Informa also is predicting an increase in Chinese corn production from 216 MMT last year to 218 MMT this year. The China’s Dalian corn futures traded at a two year high this week. NGOIC is projecting Chinese corn imports will increase to 3 MMT this year due to a growing deficit between domestic production and usage, which they estimate at 25.1 MMT.

Futures Market trends this week

WHEAT – Wheat prices started the week with solid gains, supported by continued fund buying sparked by persistent drought and declining HRW wheat crop ratings across KS, OK and TX where the crop is growing and in need of moisture. Wheat prices retreated on Tuesday and Wednesday in profit-taking and positioning ahead of Thursday’s monthly supply and demand report, which was expected to show plentiful world stocks. Prices finished mixed to modestly higher today (Thursday), with support from better than expected weekly export sales offset by a bearish old crop ending stocks estimate from USDA. **Wheat futures contract closes on Thursday, 3/08/2018...**

| | May 2018 | Week Change | July 2018 | Week Change | Sept 2018 | Week Change |
|---------|------------------------------------|---|------------------------------------|---|------------------------------------|---|
| CHI SRW | \$4.99 ¹ / ₄ | Down \$0.00 ³ / ₄ | \$5.15 ¹ / ₄ | Up \$0.00 ³ / ₄ | \$5.31 ³ / ₄ | Up \$0.03 |
| KC HRW | \$5.33 ¹ / ₄ | Down \$0.00 ¹ / ₂ | \$5.50 | Down \$0.00 ¹ / ₄ | \$5.66 ³ / ₄ | Down \$0.00 ³ / ₄ |
| MGE DNS | \$6.24 ³ / ₄ | Up \$0.04 ¹ / ₂ | \$6.32 ³ / ₄ | Up \$0.05 | \$6.38 ³ / ₄ | Up \$0.04 ¹ / ₂ |

CORN- Corn posted modest gains on Monday and Tuesday, boosted by technical buying sparked by improving export and ethanol demand and declining South American crop prospects. Corn prices finished modestly lower on Wednesday in positioning ahead of Thursday’s monthly S&D report. Corn closed solidly higher today (Thursday) on support from a bullish corn ending stocks estimate from USDA, which was below trade expectations, coupled with another strong weekly export sales report. **May 2018 contract closed on Thursday, 3/08/2018 at \$3.93¹/₂, up \$0.08¹/₄ for the week, July 2018 contract closed at \$4.00¹/₂, up \$0.08 for the week and Sept. 2018 contract closed at \$4.05, up \$0.07¹/₄ for the week.**

CRUDE OIL – Crude oil futures chopped mostly lower this week, under pressure from rising U.S. inventories and increased U.S. oil rig count, which is now 30% above a year ago. The U.S. EIA reported that weekly domestic oil stockpiles increased for a second consecutive week by 2.408 million bbls, compared to an expected increase of 2.7 million bbls. Distillate stocks declined by 559,000 bbls, while gasoline stockpiles decreased by 788,000 bbls, compared to an decrease of 1.2 million bbls. **Crude oil futures finished down \$0.10/bbl for the week to close at \$61.15/bbl.**