

Idaho Grain Market Report, April 5, 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, April 4, 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		\$3.96	\$4.86	\$5.37	\$5.21
Idaho Falls		\$8.30-9.06	\$3.60	\$4.80	\$5.10	\$5.00
Blackfoot / Pocatello		\$6.50	\$3.60	\$4.80	\$5.10	\$5.00
Grace / Soda Springs	\$7.20		\$3.77	\$4.41	\$5.14	\$5.07
Burley / Rupert	\$6.25		\$3.70	\$4.35	\$5.10	\$5.05
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.00-6.50		\$3.76	\$4.40	\$5.15	\$4.85
Nampa / Weiser	\$5.75		\$4.70			
Nez Perce / Craigmont	\$5.81		\$4.95	\$5.46	\$6.26	
Lewiston	\$6.33		\$5.21	\$5.72	\$6.52	
Moscow / Genesee	\$5.81-5.95		\$4.98-5.13	\$5.49-5.64	\$6.29-6.20	\$5.64

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 -5.75	\$6.21-6.46	\$6.91¼ -7.21¾	
Ogden	\$7.45		\$4.02	\$4.65	\$5.49	\$5.32
Great Falls	\$6.00-6.25	\$8.00- 8.30		\$5.30-5.40 (12%)	\$5.96-6.04	
Minneapolis	\$5.94			\$5.51 (12%)	\$7.01¼ - 7.26¾	

Market trends this week

BARLEY – Local feed barley prices were steady to 30 cents lower this week. Open market malting barley prices remained steady. USDA reported no new barley export sales last week, while barley exports totaled 600 MT to Japan and Taiwan.

WHEAT – Local wheat prices are mixed but mostly higher this week: SWW prices ranged from minus 20 cents to plus 21 cents; HRW prices ranged from 25 to 35 cents higher; and DNS prices ranged from 8 to 27 cents lower. USDA reported disappointing wheat export sales at 109 TMT (plus MY 2018/19 sales of 200.2 TMT), down 69% from the previous week and down 63% from the previous 4-week average. Wheat export shipments were better at 428.1 TMT, up 30% from the previous week and up 14% from the previous 4-week average.

Wheat Competitor/Buyer News – Russian Ag Ministry pegs current Russian wheat exports at 31.2 MMT, up 41% from a year ago.

CORN – USDA reported corn export sales were below trade expectations at 898.3 TMT (plus MY 2018/19 sales of 11 TMT), down 34% from the previous week and down 50% from the previous 4-week average. Wheat export shipments totaled 1.266 MMT, down 8% from the previous week and down 3% from the previous 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported a minor downtick in weekly U.S. ethanol production last week – down 0.1% or 1,000 bbls/day to 1.038 million bbls/day, which is up 1.9% from a year ago. Ethanol stocks continued to contract by 1.6% to 22.4 million bbls, down 5% from a year ago. Weekly corn usage for ethanol remained strong at 108.18 mbu, ahead of the weekly pace needed to reach USDA's estimate for MY 2017/18 of 5.575 billion bu. Cumulative year-to-date corn use now totals 3.38 billion bu.

Corn Competitor/Buyer News – Brazil exported 605.3 TMT of corn in March, down from 1.254 MMT exported in February but higher than a year ago. There were reports this week that Brazilian poultry producers in the most southern state of Rio Grande do Sul region face a corn supply deficit of 1.5 MMT this year and may need to consider corn imports from the U.S. due to higher costs of moving corn from northern Brazil. Informa lowered their Argentine corn production estimate this week by 2 MMT to 31.5 MMT, down 23% from last year. Last month USDA pegged the Argentine crop at 36 MMT, but will likely lower their estimate in their April 10th S&D projections. China announced a new 15% import tariff on U.S. ethanol, on top of a previously announced 30% tariff in retaliation for U.S. tariffs on Chinese products announced by the Trump Administration. China also announced a 25% tariff on soybeans which is causing great market concern. China imported 811 TMT of U.S. corn last year compared to nearly 32 MMT of U.S. soybeans. China plans to auction off 6.9 MMT of corn from state reserves next week from the 2012 to 2015 crops.

Futures Market trends this week

WHEAT – Wheat prices started the week mixed to lower on technical selling triggered by negative outside market factors. Tuesday saw a reversal higher, posting double digit gains on intensifying drought conditions and poor winter wheat crop conditions and delayed spring planting across the Northern Plains due to wintery weather conditions. Prices closed mixed on Wednesday in the face of sharp pressure from a sell-off in soybeans and corn. Wheat futures finished solidly higher today (Thursday) on weather concerns. **Wheat futures contract closes on Thursday, 4/05/2018...**

	<u>May 2018</u>	<u>Week Change</u>	<u>July 2018</u>	<u>Week Change</u>	<u>Sept 2018</u>	<u>Week Change</u>
CHI SRW	\$4.64 ³ / ₄	Up \$0.13 ³ / ₄	\$4.81 ¹ / ₄	Up \$0.12 ³ / ₄	\$4.98	Up \$0.12 ³ / ₄
KC HRW	\$4.98 ¹ / ₂	Up \$0.31 ¹ / ₄	\$5.16 ¹ / ₂	Up \$0.30 ¹ / ₄	\$5.34 ¹ / ₂	Up \$0.29 ¹ / ₄
MGE DNS	\$5.89 ³ / ₄	Up \$0.11 ¹ / ₄	\$6.01 ¹ / ₄	Up \$0.14 ³ / ₄	\$6.09 ¹ / ₂	Up \$0.15 ¹ / ₂

CORN- Corn posted fractional losses on Monday under spillover pressure from escalating trade tensions between the U.S. and China and fears of new tariffs on U.S. ag exports to China. Corn rebounded modestly higher on Tuesday, on a slow start to spring planting due to wet cool conditions across the Midwest and prospects for lower U.S. and world corn producing and ending stocks. Prices fell on Wednesday on heightened concerns about future export prospects to Mexico and China due to ongoing trade policy uncertainties. Corn futures finished solidly higher today (Thursday) on weather concerns. **May 2018 contract closed on Thursday, 4/05/2018 at \$3.89¹/₂, up \$0.01³/₄ for the week, July 2018 contract closed at \$3.98¹/₄, up \$0.02 for the week and Sept. 2018 contract closed at \$4.04³/₄, up \$0.01 ¹/₂ for the week.**

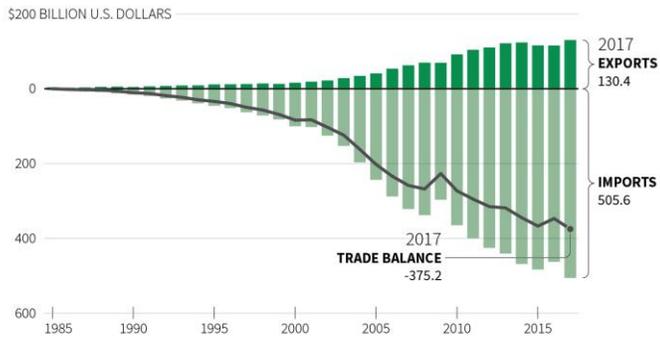
CRUDE OIL – Crude oil futures churned lower this week under pressure from risk-off investor sentiment sparked by concerns about escalating trade tensions between the U.S. and China and a surprisingly large increase in crude stocks at the storage hub in Cushing, OK. US domestic production also posted an all time high last week at 10.46 million bpd. The U.S. EIA reported weekly domestic oil stockpiles fell by 4.617 million bbls, compared to an expected increase of 1.4 million bbls. Distillate stocks increased by 537,000 bbls while gasoline stocks fell by 1.116 million bbls, compared to an expected decline of 1.2 million bbls. **Crude oil futures finished down \$01.40/bbl for the week to close at \$63.54/bbl.**

Crop weather/condition - In its first weekly national crop ratings of the new season, USDA pegged the U.S. winter wheat crop at 32% good/excellent, down sharply from last year's initial rating of 51% and the second lowest rating at this time of year in the past 20 years. KS crop was rated 10% good/excellent, OK at 9% and TX at 15%. Idaho winter wheat was rated at 63% good/excellent. A storm system is currently moving through the PNW into the Intermountain and Northern Rockies region, bringing a mix of rain and snow. The Midwest is expecting a series of storm systems to move through the region, delaying spring planting for much of April. **The 6-10 day outlook** calls for near to below normal temps nationwide, except for warmer than normal across Southern CA into the Central and Southern Plains. Near to above normal precipitation is expected to prevail across much of the country except for persistent dryness in the Central and Southern Plains. **ENSO watch** – In February, NOAA's Climate Prediction Center predicted a 55% chance of a transition from La Nina to ENSO-neutral during the March to May period, with neutral conditions likely to prevail during the second half of the season.

Escalating trade tensions between the U.S.- China put big target on U.S. ag exports – China announced a wide range of U.S. ag products could face new tariffs in retaliation against tariffs imposed on Chinese imports by the Trump Administration in the past two weeks. Last week China announced tariffs against U.S. fruit, nuts, wine and pork. This week China expanded the list to include U.S. ethanol, soybeans, beef, cotton, whiskey and tobacco. Trump Administration officials tried to ease market fears by arguing that these tit-for-tat tariff threats would likely lead to negotiation and not ultimately go into effect. Below are charts explaining the U.S. – Chinese bilateral trade relationship which clearly demonstrates a big trade imbalance of \$375 billion between U.S. exports to and imports from China.

U.S. trade in goods with China

On a nominal basis, not seasonally adjusted

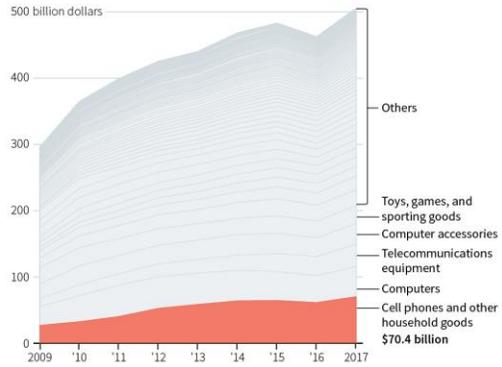


Source: U.S. Census Bureau
W. Foo, 22/03/2018



U.S. imports from China

Cell phones and other household goods make up the largest single category of imports from China, accounting for \$70.4 billion out of \$505.6 billion imports in 2017.



Source: U.S. Census Bureau
J. Wang, 21/03/2018

