

Idaho Grain Market Report, April 27, 2017

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 26, 2017. 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 | \$4.80-5.50 | | \$3.37-3.45 | \$3.80 | \$5.15 | \$4.00-4.10 |
| Idaho Falls | | \$8.30 -8.33 | \$3.40 | \$3.95 | \$5.20 | \$4.05 |
| Blackfoot / Pocatello | | \$6.50 | \$3.40 | \$3.95 | \$5.20 | \$4.05 |
| Grace / Soda Springs | \$5.50 | | \$3.31 | \$3.25 | \$5.10 | \$3.90 |
| Burley / Rupert | \$5.00 | | \$3.18 | \$3.20 | \$5.08 | \$3.79 |
| Hazelton | | | | | | |
| Twin Falls / Buhl / Jerome / Wendell | \$5.50-6.25 | | \$3.30 | \$3.25 | \$5.10 | \$4.00 |
| Nampa – Weiser | \$5.50 | | \$3.50 | | | |
| Nez Perce / Craigmont | \$4.00 | | \$3.88 | \$3.98 | \$5.81 | |
| Lewiston | \$4.50 | | \$4.14 | \$4.24 | \$6.07 | |
| Moscow / Genesee | \$4.00-4.75 | | \$3.91-4.05 | \$4.01-4.15 | \$5.84-6.03 | \$4.15 |

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 - \$4.52³/₄ - 4.70 max 10.5% pro \$4.52³/₄ - 4.65 | \$4.87 ¹ / ₄ - 5.02 ¹ / ₄ | \$6.32 ³ / ₄ - 6.72 ³ / ₄ | |
| Los Angeles | \$8.65-8.80 | | | | | |
| Tulare | \$8.65-8.80 | | | | | |
| Ogden | \$6.10 | | \$3.70 | \$3.65 | \$5.50 | \$4.25 |
| Great Falls | \$4.75 | \$6.00 | | \$3.97-4.12 (12%) | \$5.37-5.55 | |
| Minneapolis | \$4.27 | | | \$4.42 ¹ / ₄ (12%) | \$6.72 ³ / ₄ | |

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 25 cents lower while open market malting barley prices remained steady this week. USDA reported no U.S. barley export sales last week, while export shipments totaled 300 MT to Taiwan.

Barley Competitor / Buyer News- Stats Canada has pegged 2017 Canadian barley acres at 5.9 million, down 8% from 2016.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 25 cents to plus 1 cent; HRW prices ranged from 1 to 5 cents lower; and DNS prices ranged from minus 15 cents to plus 10 cents. USDA reported old crop wheat export sales were a marketing year low last week at 61.7 TMT (plus MY 2017/18 sales of 305.4 TMT), down 85% from the previous week and down 87% from the previous 4-week average. Wheat export shipments last week were on the high end of trade expectations at 612.7 TMT, down 17% from the previous week but up 1% from the prior 4-week average. Cumulative wheat export shipments for MY 2016/17, which ends May 31, have reached 85.3% of the USDA estimate, compared to a 5-year average of 87.5%.

Wheat Competitor / Buyer News – Stats Canada has pegged 2017 Canadian wheat acres at 23.2 million acres, unchanged from last year. Canola acres are expected to jump 10% to 22.4 million. USDA Ag Attaches are projecting the

2017 Australian wheat crop at 24 MMT, compared to their 2016 record crop of 35 MMT and the Argentine wheat crop at 16.65 MMT compared to 16.3 MMT in 2016. Last week the Buenos Aires Grain Exchange projected Argentina's 2017 wheat crop at 17.5 MMT, based on increased plantings. Indian ag ministry is projecting India's 2017 wheat crop at a record 98 MMT, beating their previous high of 96.6 MMT. China's March wheat imports surged 140% to 505 TMT due to a shortage of high quality wheat. U.S. wheat sales to China have been strong in MY 2016/17, totaling more than 1.4 MMT, compared to 728 TMT for the same period a year ago.

CORN – USDA reported corn export sales were within trade expectations last week at 987.9 TMT (plus MY 2017/18 sales of 11.1 TMT), up 31% from the previous week and up 18% from the prior 4-week average. Corn export shipments last week remained strong at 1.374 MMT, down 2% from the previous week and unchanged from the prior 4-week average. Cumulative corn export shipments for MY 2016/17, which ends Aug. 31, have reached 66.1% of the USDA estimate, compared to a 5-year average of 59.4%.

Ethanol corn usage – DOE's Energy Information Agency reported a downtick in U.S. ethanol production last week – down 6,000 bbls last week or 0.6% to 987,000 bbls per day, which is up 6.5% from a year ago. Ethanol stocks continue to climb as exports have tapered off to some key markets like China, up 1% to 23.27 million bbls, up nearly 8% from the previous year. Weekly corn usage for ethanol remains strong at 103.6 million bu and cumulative corn use at 3.57 billion bu.

Corn Competitor / Buyer News – USDA Ag Attache is projecting Argentina's 2017 corn crop at 39.0 MMT and record exports at 28.0 MMT, compared to this year's crop at 38.5 MMT and exports at 26.5 MMT. China's corn and DDG imports continue to fall, with DDG exports down 76% in March to 89.7 TMT, because of new import tariffs.

Futures Market trends this week

WHEAT – Wheat markets posted fresh contract lows on Monday, despite support from a weaker dollar and dryness concerns in Western Europe. Pressure came from ideas that US winter wheat crop conditions are improving from recent rains across the Central and Southern Plains. Aggressive short covering drove prices sharply higher on Tuesday with concerns about possible frost damage in the Plains later this week. Wednesday saw mixed results, with spring wheat prices leading the gains as wintery weather across the Northern Plains has significantly slowed the spring wheat planting pace and may force some acres to switch to soybeans. Wheat prices finished higher today (Thursday) on cold temperatures across a wide swath of the HRW belt this weekend into early next week, with freezing temperatures dipping as far south as TX. **Wheat market closes on Thursday, 4/27/2017...**

| | May 2017 | Weekly Summary | July 2017 | Weekly Summary | Sept 2017 | Weekly Summary |
|---------|-----------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| CHI SRW | \$4.13½ | Up \$0.08½ | \$4.31¼ | Up \$0.10¼ | \$4.44½ | Up \$0.09 |
| KC HRW | \$4.20¾ | Up \$0.16¼ | \$4.33¾ | Up \$0.16½ | \$4.49½ | Up \$0.15¾ |
| MGE DNS | \$5.40 | Up \$0.13½ | \$5.53¼ | Up \$0.17¾ | \$5.59¼ | Up \$0.17 |

CORN – Corn finished modestly higher to start the week, supported by rain planting delays and strong export pace which is running ahead of the pace needed to reach USDA's export estimate for the marketing year which ends Aug. 31. Prices continued to grind higher on Tuesday with support from wet weather as severe storms cross the mid Mississippi River Valley, causing flash flooding and replant concerns in some areas. Gains, however, were limited by better than expected planting progress reported by USDA on Monday afternoon at 17% planted vs. an expected 13%. Planting conditions have improved across the ECB in the past couple weeks which has allowed planting to rapidly advance before a return of wet conditions in the extended outlook. Corn prices slumped into the close of the Wednesday session as weather forecasts across the western and central belts turned drier and talk from the Trump administration that the U.S. might withdraw from NAFTA rattled the corn markets. Corn posted a positive reversal higher today (Thursday) on the President's announcement late Thursday that he would not insist on withdrawing from NAFTA at this time, but would move quickly to renegotiate the North American free trade agreement which governs more than \$1 trillion in annual trade between the U.S., Canada and Mexico. Underlying support also comes from forecasts calling for snow and rain across the western and central belts this weekend which will continue to slow planting progress. The extended forecast looks drier for the WCB and wet for the ECB. **Corn futures contract closes on Thursday, 4/27/2017... May 2017 contract at \$3.62, up \$0.05 for the week, July 2017 contract closed at \$3.69¼, up \$0.05½ for the week and the Sept. 2017 contract closed at \$3.76¼, up \$0.05¼ for the week.**

CRUDE OIL – Crude oil futures chopped in a narrow range this week, in line with the dollar and global uncertainties. The U.S. DOE Energy Information Agency reported domestic oil inventories fell more than expected – down 3.641 million bbls compared to an expected decline of 1.7 million bbls. In contrast, distillate stocks increased by 2.651 million bbls and gasoline stocks increased by 3.369 million bbls. **Crude oil futures finished down \$0.65/bbl for the week to close at \$48.97.**

Weather / Crop Conditions –

U.S. – Cool showery conditions persisted across the PNW and Intermountain Regions this week, but conditions are expected to be warmer and drier next week. Two storm systems tracked across the Central U.S. this week, bringing much cooler and wetter conditions to a wide swath of the mid section, stretching from TX through the mid Mississippi River Valley. Some areas saw flash flooding which could require replanting. Cold and wet conditions are expected to persist through the weekend across the WCB and Central Plains, with freezing temperatures expected to dip as far south as Texas this Sunday and Monday which may damage winter wheat crops which are headed in this region. The Northern Plains remain cold and wet with delayed spring grain planting across the Dakotas and Minnesota. Conditions are expected to be cool but next week. The 6-10 day outlook calls for above normal temperatures to return to the Far West, but below normal temperatures to persist from the Rockies into the ECB. Below normal precipitation is expected for the PNW and Western and Central Plains, but wetter than normal across the ECB.

USDA Crop Progress / Condition Report, April 24, 2017

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|------------------------|--|-------------------------|--------------------------|--------------------------|--|----------------------|----------------------|
| US Barley | 27% planted 7% emerged | 13% NA | 43% 14% | 40% 10% | | | |
| ID Barley | 57% planted 26% emerged | 40% 9% | 69% 32% | 69% 29% | | | |
| US Spring Wheat | 22% planted 5% emerged | 13% NA | 40% 7% | 34% 8% | | | |
| ID Spring Wheat | 48% planted 12% emerged | 28% NA | 62% 13% | 71% 26% | | | |
| US Winter Wheat | 32% headed | 19% | 24% | 23% | 54% g/ex | 54% | 59% |
| ID Winter Wheat | 0% headed | 0% | 3% | 1% | 68% | 69% | 92% |
| Corn | 17% planted 4% emerged | 6% NA | 28% 4% | 18% 4% | | | |

International

EU – Some dry areas of France and Spain received light showers this week and more showers are in the extended outlook.

Black Sea region – Recent rains have improved crop conditions across Ukraine and Russia, although Ukraine expected to see a cold snap this week with limited chances of crop damage to their winter wheat crop.

Canada – Western prairies remain wet and cold, with very limited field work.