

Idaho Grain Market Report, April 28, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, April 27, 2016. 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	\$5.00-6.00		\$4.00-4.30	\$4.35 (12% pro)	\$5.07	\$4.65-4.70
Idaho Falls	\$6.00	\$8.90 - \$9.38	\$4.10	\$4.46	\$5.20	\$4.65
Blackfoot / Pocatello	NQ	\$8.15	\$4.10	\$4.46	\$5.20	\$4.65
Grace / Soda Springs	\$6.50		\$3.98	\$3.94	\$5.11	\$4.54
Burley / Rupert	\$6.00	\$9.38	\$3.85-4.05	\$3.81	\$5.10	\$4.56
Hazelton						
Twin Falls / Buhl / Wendell	\$5.90-6.00 \$7.00 new crop		\$3.90	NQ	NQ	
Nampa – Weiser	\$6.38		\$4.37			
Nez Perce / Craigmont	\$5.25		\$4.35	\$4.63	\$5.34	
Lewiston	\$5.75		\$4.61	\$4.89	\$5.60	
Moscow / Genesee	\$5.25-5.75		\$4.38–4.52	\$4.66-4.80	\$5.37-5.56	\$4.80

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			May Ord pro - \$5.24¼ -5.40 May max 10.5% pro- \$5.39¼ -5.75	\$5.44 –5.49	\$6.23½ - 6.43½	
Los Angeles	\$9.10-9.35			NQ (12%)		
Tulare	\$9.10–9.35					
Ogden	\$7.00		\$4.28	\$4.24	\$5.41	\$4.89
Great Falls	\$5.00-5.50	\$10.00		\$4.35-4.42 (12%)	\$5.03–5.21	
Minneapolis	\$5.10	NQ		\$5.16½ (12%)	\$6.12½ - 6.27½	

Market trends this week

BARLEY – Local feed prices ranged from steady to 15 cents lower and open market malting barley prices were steady to 10 cents lower this week. USDA reported no barley export sales for the current marketing year and 200 MT for next Marketing Year (to Japan) but export shipments of 100 MT to South Korea.

WHEAT – Local wheat prices were lower this week: SWW prices ranged from 15 to 30 cents lower; HRW prices ranged from 14 to 32 cents lower; and DNS prices ranged from 4 to 28 cents lower. USDA reported much better than expected wheat export sales last week at 351.9 TMT (plus 440 TMT for MY 2016/17), up 19% from the previous week and up noticeably from the 4-week average. Wheat export shipments last week totaled 440 TMT, down 6% from the previous week but up 16% from the 4-week average.

International Grains Council is projecting MY 2016/17 world wheat production at 717 MMT, down 2% from 2015 and world wheat ending stocks at 218 MMT, up 1% from this season.

Wheat Competitor / Buyer News – Russian wheat exports are expected to reach 2.5 MMT in April and could top 21 MMT in the current marketing year. USDA Ag Attache is projecting Russia's 2016 wheat output at 58 MMT which would

be down 3 MMT from last year but above the 5-year average. Iraq says their domestic wheat harvest will reach 5 MMT this coming season compared to 3.5 MMT last year due to favorable growing conditions. Saudi Arabia issued a tender this week for 550 TMT of hard wheat.

CORN – USDA reported corn export sales were much better than expected last week at 2.16 MMT – a marketing year high - (plus 440 TMT for MY 2016/17), up 80% from the previous week and up noticeably from the previous 4-week average. Corn export shipments last week totaled 1.09 MMT, down 15% from the previous week and 4% from the previous 4-week average.

International Grains Council is projecting MY 2016/17 world corn production at 998 MMT, up 3% from 2015 and world corn ending stocks at 208 MMT, up 1% from this season.

Ethanol corn usage – DOE’s Energy Information Agency reported a surprising downtick in U.S.ethanol production last week, given the best processing margins of 2016, to 927,000 bpd - the lowest weekly production since May 2015 and down 12,000 bbls or 1.3% from the previous week but up 0.7% above the previous year. U.S. ethanol stocks continued to tighten to 21.6 million bbls, down 2% from the previous week but up 4% from a year ago. Corn used to produce ethanol totaled 97.34 million bu, slipping below the weekly pace of 98.4 mbu needed to achieve USDA’s projection of 5.25 billion bu for MY 2015/16.

Corn Competitor / Buyer News – More talk this week of Brazil importing U.S. corn in coming weeks, with a possible purchase last week (reported sale of 136 TMT last week to an unknown destination has been speculated to be a Brazilian purchase). Local sources project they will need to import up to 700 TMT before their Safrinha (second corn crop) harvest due to overly aggressive exports earlier this winter. Most market analysts have lowered Brazil’s corn production prospects by as much as 5 to 10 MMT due to very dry conditions across the key west-central growing region. There is also market chatter that China may export 1.7 MMT of corn this marketing year and 2.3 MMT next year as part of their effort to reduce burdensome government stocks. China reportedly imported 575 TMT of corn in March largely from Ukraine. China is expected to reduce corn plantings this year with some estimates of at least a 10 MMT lower crop this coming season. Ukraine is expected to plant a bigger corn crop this year due to poor winter wheat planting conditions last fall, with some local sources projecting a 10% gain over 2015. South Africa cut their 2015/16 corn crop estimate again this week due to drought to 7.05 MMT compared to 9.96 MMT last year.

Futures Market trends this week

WHEAT – Wheat markets began the week on a solid note, closing moderately higher on both Monday and Tuesday on support from a lower dollar and favorable spillover from corn and soybeans. Wheat posted a negative reversal lower on Wednesday on profit-taking pressure triggered by favorable 2016 crop prospects across much of the Northern Hemisphere, as well as an improved crop outlook for Australia. Wheat finished mixed to lower on Thursday as crop conditions are expected to improve for much of the U.S. winter wheat region after abundant moisture the past two weeks.

Wheat market closes on Thursday, 4/28/16...

	<u>May 2016</u>	<u>Weekly Summary</u>	<u>May 2016</u>	<u>Weekly Summary</u>	<u>July 2016</u>	<u>Weekly Summary</u>
Chicago SRW	\$4.75½	Up \$0.08½	\$4.85½	Up \$0.11½	\$4.95¼	Up \$0.11¾
KC HRW	\$4.61	Down \$0.00¾	\$4.74½	Up \$0.01	\$4.90¼	Up \$0.02½
MGE DNS	\$5.30	Up \$0.04½	\$5.42¼	Up \$0.09	\$5.50½	Up \$0.08

CORN – Corn traded moderately higher on Monday and Tuesday on technical buying sparked by favorable outside market forces (higher crude oil and lower dollar) and a wet forecast which was expected to slow planting this week across much of the Corn Belt this week. Corn posted modest losses on Wednesday as the weather maps flipped to a drier outlook next week which should accelerate the planting pace. Corn managed a bullish reversal higher on Thursday, boosted by a much stronger than expected export sales report and a sharply lower dollar. **Corn futures contract closes on Thursday, 4/28/16... May 2016 contract at \$3.87, up \$0.15¼ for the week, July 2016 contract closed at \$3.91¼, up \$0.15¾ for the week and the Sept 2016 contract closed at \$3.90½, up \$0.15 for the week.**

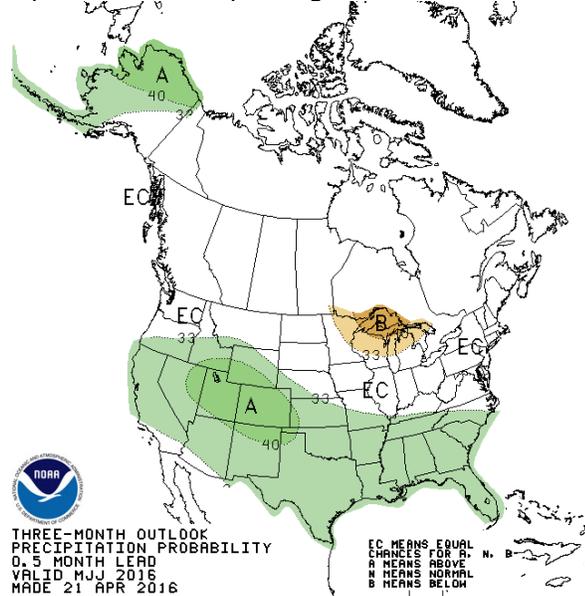
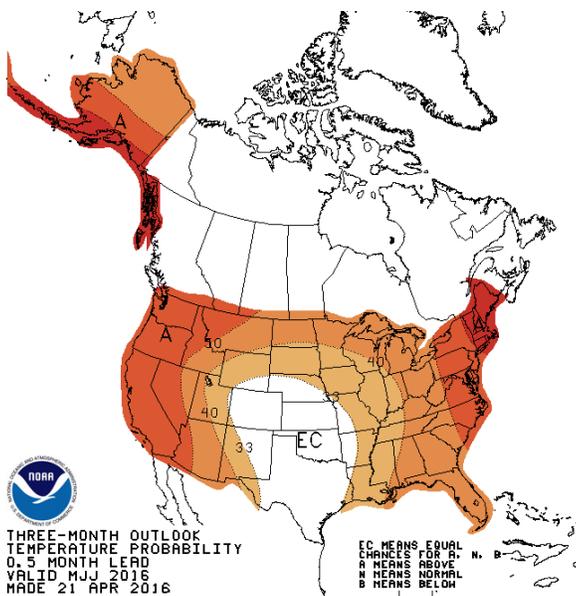
CRUDE OIL – Crude oil market saw some early see-saw action this week but closed higher on support from a lower US dollar. The dollar fell sharply on Thursday in reaction to the Bank of Japan’s surprise move to hold back on further monetary easing coupled with a lack of any indication from the Federal Reserve this week that they will increase interest rates in June. U.S. DOE Energy Information Agency reported domestic crude oil stocks increased by 1.99 million bbls last week, compared to trade expectations of 1.75 million bbls. Distillates fell by 1.65 million bbls, while gasoline stocks increased by 1.608 million bbls. **Crude oil futures (June contract) finished up \$2.30/bbl for the week at \$46.03/bbl.**

USDA Crop Progress / Condition Report, April 25, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	45% planted 15% emerged	33% NA	52% 15%	36% 9%			
ID Barley	71% planted 36% emerged	54% 9%	80% 41%	66% 28%			
US Spring Wheat	42% planted 8% emerged	27% NA	50% 8%	28% 7%			
ID Spring Wheat	65% planted 14% emerged	46% NA	75% 36%	70% 29%			
US Winter Wheat	26% headed	12%	25%	24%	59% g/ex	57%	42%
ID Winter Wheat	3% headed	1%	2%	-	88% g/ex	92%	61%
Corn	30% planted 5% emerged	13% NA	16% 2%	16% 4%			

Weather / Crop Conditions- U.S.

- **PNW** – Cooler conditions persisted this week with showery conditions in many areas, benefiting winter wheat with abundant moisture and much better crop conditions compared to a year ago.
- **Northern Plains** – Cooler and showery, boosting soil moisture but halting fieldwork. Extended outlook calls for below normal rainfall and warmer temperatures in the weeks ahead.
- **Central/Southern Plains** – Recent showers have boosted soil moisture and improved crop conditions across the region. KS topsoil moisture improved from 60% poor/very poor to 18%. The 7-day map shows another round of good moisture coverage.
- **Corn Belt** – Cooler weather with patchy frost in some areas in the far northern belt. Wet across the southwestern belt, slowing planting. The 7 day map remains unsettled, bringing at least an inch of rain across the WCB before moving eastward.
- **The 6-10 day outlook** – PNW and Northern Plains expects to see warm and dry conditions, while C/S Plains and ECB will see drier conditions but cooler than normal temperatures. Corn planting should resume at a rapid pace.



INTERNATIONAL -

- **Europe** – Continued to receive beneficial moisture and above normal temperatures which are maintaining good to excellent winter grain prospects. More rain coverage is in the forecast for the next couple weeks. The European crop reporting service MARS is expecting average wheat yields across the region to reach 6.11 MT/ha which would be above the 5-year average.
- **Black Sea region** – Continued favorable conditions, with warm and showery conditions across S. Ukraine and W. Russia benefitting winter grains and warmer conditions aiding spring grain planting and emergence across C. Russia and Kazakhstan. More rainfall is in the near term outlook.
- **Northern Africa** – Morocco winter grains are rapidly advancing toward maturity while Algeria and Tunisia grains saw mostly warm and dry conditions which are accelerating winter grain development.
- **Middle East** – Sunny and mostly warm from Turkey into Iraq. Parts of Central Turkey reported patchy frost which burned back reproductive winter wheat.
- **China** – Rainfall was limited across the North China Plains where winter wheat was advancing.
- **South America** – Beneficial moisture finally arrived across key parts of Brazil, easing recent dryness that has stressed Safrinha or second crop corn, but about 30% of this key growing region remains unfavorably dry during grain fill. Argentine also saw more favorable dryness this week which should allow soybean and corn harvest to resume.
- **Australia** – Most of the winter grain planting is wrapping up. Southeastern region is expecting beneficial rainfall by this weekend. The Australian Bureau of Metereology is projecting a 70% change of above normal rainfall from May to July as El Nino fades.