

Idaho Grain Market Report, May 4, 2017

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 3, 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	\$5.75		\$3.60	\$4.20	\$5.30	\$4.30
Idaho Falls		\$8.30 -8.33	\$3.65	\$4.35	\$5.30	\$4.45
Blackfoot / Pocatello		\$6.50	\$3.65	\$4.35	\$5.30	\$4.45
Grace / Soda Springs	\$5.50		\$3.68	\$3.54	\$5.13	\$4.19
Burley / Rupert	\$5.00		\$3.54	\$3.54	\$5.18	\$4.16
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.50-6.25		\$3.45-3.70	\$3.65	\$5.18	\$4.35
Nampa – Weiser	\$5.50		\$3.80			
Nez Perce / Craigmont	\$4.00		\$4.01	\$4.39	\$5.93	
Lewiston	\$4.50		\$4.27	\$4.65	\$6.19	
Moscow / Genesee	\$4.00-4.75		\$4.04-4.18	\$4.42-4.56	\$5.97-6.10	\$4.56

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 - \$4.63 - 4.85 max 10.5% pro \$4.62 - 4.84	\$5.33¼ - 5.40¼	\$6.47¼ - 6.81¼	
Los Angeles	\$8.50-8.80					
Tulare	\$8.50-8.80					
Ogden	\$6.20		\$4.00	\$3.90	\$5.50	\$4.60
Great Falls	\$4.75	\$6.00		\$4.33-4.50 (12%)	\$5.51-5.66	
Minneapolis	\$4.27			\$4.98¼ (12%)	\$6.61¼ - 6.71¼	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 25 cents higher, but mostly steady. Open market malting barley prices remained steady this week. USDA reported U.S. barley export sales last week totaled 100 MT to Japan, while export shipments totaled 200 MT to South Korea.

WHEAT – Local wheat prices were higher this week: SWW prices ranged from 13 to 40 cents higher; HRW prices ranged from 29 to 41 cents higher; and DNS prices ranged from 3 to 15 cents higher. USDA reported old crop wheat export sales totaled 258.4 TMT (plus strong MY 2017/18 sales of 563.4 TMT), up noticeably from the previous week but down 30% from the previous 4-week average. Wheat export shipments last week were on the high end of trade expectations at 622.9 TMT, up 2% from the previous week but down 2% from the prior 4-week average. Cumulative wheat export shipments for MY 2016/17, which ends May 31, have reached 87.4% of the USDA estimate, compared to a 5-year average of 89.1%.

Wheat Competitor / Buyer News – Russia will resume wheat exports to Turkey without restrictions, effective immediately according to Turkish officials. Ukrainian wheat exports now total 15.8 MMT, up 11% from the same period a year ago. Stats Canada will report Canadian wheat stocks on Friday, with average pre-report trade estimates at 18.12 MMT, up 31% from the previous year. USDA Ag Attache is estimating the Indian wheat crop at a record 96.5 MMT compared to 87 MMT last year and imports likely to drop from 6 MMT to 4 MMT.

CORN – USDA reported corn export sales were on the low end of trade expectations last week at 771.6 TMT (plus MY 2017/18 sales of 24.1 TMT), up 22% from the previous week but down 15% from the prior 4-week average. Corn export shipments last week totaled 1.226 MMT, down 11% from the previous week and down 10% from the prior 4-week average. Cumulative corn export shipments for MY 2016/17, which ends Aug. 31, have reached 68% of the USDA estimate, compared to a 5-year average of 61.3%.

Ethanol corn usage – DOE's Energy Information Agency reported a very modest downtick in U.S. ethanol production last week –down 1,000 bbls last week or 0.1% to 986,000 bbls per day, which is up 6.8% from a year ago. Ethanol stocks remain high at 23.2 million bbls, up 5% from the previous year. Weekly corn usage for ethanol remains strong at 103.5 million bu and cumulative corn use at 3.67 billion bu.

Corn Competitor / Buyer News – Several major grain traders have increased their Brazilian corn crop estimate to 96 MMT compared to USDA's most recent estimate of 93.5 MMT. Brazilian Ag Ministry is pushing their government to import tariffs on ethanol imports to protect their domestic ethanol industry. In the Q1 2017 the US shipped a record 720 million liters of ethanol to Brazil. Ukrainian corn exports now total 16.1 MMT, up 4% from the same period a year ago. On Friday, China is expected to begin auctioning 2.5 MMT of old domestic corn stocks from 2012 and 2013 crop years.

Futures Market trends this week

WHEAT – Wheat markets posted double digit gains on Monday, reaching 2 month highs, with the KC HRW contract leading the way on short covering sparked by concerns about the potential damage to winter wheat from the weekend's snow and cold temperatures. Actual crop damage won't be known for several days but early indications are a potential loss of 50 to 100 million bu, with traders responding with the first real weather premium of the new crop year. Tuesday saw prices settle mixed with KC closing modestly higher on continued nervousness about crop losses in a year with much lower acreage. CHI and Minn contracts closed lower. Wheat continued to post mixed results on Wednesday as traders await damage reports and new forecasts call for cold temperatures across the SRW wheat region this coming Sunday/Monday (CHI contract). Wheat prices finished sharply lower today (Thursday) – down double digits and nearly wiping out gains earlier in the week after the annual Kansas Wheat Quality Tour participants estimated an average KS wheat yield of 46.1 bpa which is lower than last year's 48.6 bpa but above the 5-year average of 41.6 bpa. The extended forecast calls for continued beneficial moisture and much warmer temperatures across the Central and Southern Plains which could help boost yields and much warmer and drier conditions across the Northern Plains which should aid in spring wheat planting which has been lagging. **Wheat market closes on Thursday, 5/04/2017 (please note shift to July, Sept and Dec contracts)...**

	July 2017	Weekly Summary	Sept 2017	Weekly Summary	Dec 2017	Weekly Summary
CHI SRW	\$4.37¾	Up \$0.05½	\$4.52¼	Up \$0.06½	\$4.73	Up \$0.04¾
KC HRW	\$4.44½	Up \$0.07¼	\$4.61	Up \$0.07¼	\$4.85	Up \$0.08
MGE DNS	\$5.47½	Down \$0.07¼	\$5.53½	Down \$0.07½	\$5.61½	Down \$0.07¼

CORN – Corn finished sharply higher to start the week, boosted by spillover from strong gains in wheat and concerns about replanting that may be required by heavy rains across the middle Mississippi River region this week. Corn reversed lower on Tuesday on active producer selling and easing concerns about planting delays after USDA reported corn planting was 34% completed (expected 28%), which is line with a 10 year average. There also was some lingering market worries about President Trump's weekend threats to terminate the South Korean free trade agreement which could affect US corn trade to this key market. Corn prices posted a modest rebound on Wednesday as attention remained on talk of replanting and potential prevented planting as flooding expanded across parts of MO, AR, IL and IN. Corn posted sharp losses today (Thursday) on lackluster export sales and updated forecasts called for drier planting weather this weekend and next week. **Corn futures contract closes on Thursday, 5/04/2017 please note shift to later contract months...July 2017 contract at \$3.66½, unchanged for the week, Sept. 2017 contract closed at \$3.74, down \$0.00¼ for the week and the Dec. 2017 contract closed at \$3.84½, down \$0.00½ for the week.**

CRUDE OIL – Crude oil futures were under pressure this week as U.S. inventories remain historically high – up 3% from a year ago – and concerns about weak U.S. gasoline demand - down 3% from the same period a year ago. Reports indicate that OPEC compliance with their pumping reductions has slipped to about 90% due to more oil being pumped by Angola and the UAE. OPEC ministers will meet later this month to discuss extending their production cuts beyond the originally agreed June date. The U.S. DOE Energy Information Agency reported domestic oil inventories fell less than expected – down 930,000 bbls compared to an expected decline of 2.3 million bbls. Distillate stocks decreased by 562,000 bbls, compared to expected increase of 723,000 bbls and gasoline stocks increased by 191,000 bbls, compared to an expected increase of 1.3 million bbls. **Crude oil futures finished down \$3.81/bbl for the week to close at \$45.52.**

Weather / Crop Conditions –

U.S. – Northwest and Intermountain regions benefited from warmer and drier weather this week, allowing field work to

accelerate. The extended outlook calls for warm and wet conditions in this region. The Northern Plains were warmer and drier this week, as well, allowing spring field work to finally progress. The Central and Southern Plains received rain and snow over the weekend with the biggest snow accumulation in northwestern KS where some areas received 6 to 12 inches of snow, flattening wheat fields. Some early estimates pegged crop damage at 50-100 million bu. The annual Kansas wheat crop tour is taking place this week, with participants reporting a lower yield potential and concerns about wheat streak mosaic virus. On Thursday tour participants projected Kansas wheat yield of 46.1 bpa compared to a 5-year average of 41.6 bpa and a total wheat crop of 281.7 million bu compared to 467.4 million bu last year. The extended outlook calls for warm and wet conditions in the Western Plains and drier in the Eastern Plains. The Cornbelt saw a mix of rain and snow this week, bringing planting to a standstill in many areas. Heavy showers have caused some serious flooding from the mid Mississippi River Valley up through the Ohio River Valley. Conditions are expected to be drier over the next several days. The **6-10 day outlook** calls for warm and wet conditions to stretch from the PNW to the West Central Plains. The Northern Plains are expected to be warmer and drier while the Eastern Plains and Eastern Corn Belt are expected to be cooler and drier. SRW wheat areas are expected to see very cold temperatures on Sunday night which could damage winter wheat.

USDA Crop Progress / Condition Report, May 1, 2017

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	32% planted 14% emerged	27% 7%	55% 27%	53% 21%			
ID Barley	58% planted 37% emerged	57% 26%	76% 51%	79% 44%			
US Spring Wheat	31% planted 9% emerged	22% 5%	52% 20%	46% 17%			
ID Spring Wheat	49% planted 21% emerged	48% 12%	74% 41%	82% 45%			
US Winter Wheat	42% headed	32%	40%	34%	54% g/ex	54%	61%
ID Winter Wheat	1% headed	0%	4%	2%	61%	68%	92%
Corn	34% planted 49 emerged	17% 4%	43% 12%	34% 8%			

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 – Ukraine and Russia were expected to receive beneficial moisture this week.

Canada – Western prairies remain wet and cold, with very limited field work, but the extended outlook calls for warmer and drier conditions which should allow spring fieldwork to begin.