

Idaho Grain Market Report, May 5, 2016

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, May 4, 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	\$3.90 (12% pro)	\$5.15	\$4.35-4.75
Idaho Falls	\$6.00	\$8.90 - \$9.38	\$3.95	\$4.25	\$5.20	\$4.45
Blackfoot / Pocatello	NQ	\$8.15	\$3.95	\$4.25	\$5.20	\$4.45
Grace / Soda Springs	\$6.35		\$4.07	\$3.83	\$5.10	\$4.43
Burley / Rupert	\$6.00	\$9.38	\$3.96-4.15	\$3.63	\$5.20	\$4.38
Hazelton						
Twin Falls / Buhl / Wendell	\$5.90-6.25 \$7.00 new crop		\$4.00	NQ	NQ	
Nampa – Weiser	\$6.24		\$4.42			
Nez Perce / Craigmont	\$5.25		\$4.32	\$4.45	\$5.32	
Lewiston	\$5.75		\$4.58	\$4.71	\$5.58	
Moscow / Genesee	\$5.25-5.75		\$4.35–4.49	\$4.48-4.62	\$5.35-5.54	\$4.62

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 - \$5.21¼ -5.40 May max 10.5% pro- \$5.36¼-5.75	\$5.28¾ –5.42¾	\$6.25 - 6.41	
Los Angeles	\$9.10-9.35			NQ (12%)		
Tulare	\$9.10–9.35					
Ogden	\$6.85		\$4.26	\$4.03	\$5.41	\$4.75
Great Falls	\$5.00-5.50	\$10.00		\$4.18-4.25 (12%)	\$5.02–5.24	
Minneapolis	\$5.10	NQ		\$4.97¾ (12%)	\$6.11 - 6.26	

Market trends this week

BARLEY – Local feed prices ranged from minus 15 cents to plus 25 cents, but were mostly steady. Open market malting barley prices were steady this week. USDA reported no barley export sales for the current marketing year and 500 MT for next Marketing Year 2016/17 to Japan. Export shipments last week totaled 100 MT to South Korea.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 30 cents to plus 10 cents; HRW prices ranged from 1 to 45 cents lower; and DNS prices ranged from minus 2 cents to plus 10 cents. USDA reported wheat export sales last week were on the low end of trade expectations at 178.9 TMT (plus 140 TMT for MY 2016/17), down 49% from the previous week but up 1% from the 4-week average. Wheat export shipments last week totaled 385.2 TMT, down 12% from the previous week and down 4% from the 4-week average. Cumulative wheat exports now tally 87.3% of the USDA forecast for the year (which ends May 31 for wheat), compared to a 5-year average pace of 89.4%.

Wheat Competitor / Buyer News – EU approved export licenses for 848,000 TMT of wheat this week, bringing their cumulative wheat exports to 25.9 MMT, down 7% from the previous year's pace. USDA is estimating overall MY 2015/16 EU wheat exports at 32 MMT, which might prove to be overly optimistic. India reportedly purchased at least 140 TMT of wheat from Australia this week.

CORN – USDA reported corn export sales were well below trade expectations last week at 769.3 TMT (plus 60.5 TMT for MY 2016/17), down 64% from the previous week and down 44% from the previous 4-week average. Corn export shipments last week were much better at 1.226 MMT, up 13% from the previous week and up 9% from the previous 4-week average. Cumulative corn exports now tally 57.7% of the USDA forecast for the year, compared to a 5-year average pace of 64.1%.

Ethanol corn usage – DOE's Energy Information Agency reported another downtick in U.S. ethanol production last week, to 923,000 bpd - down 4,000 bbls or 0.4% from the previous week but 4.1% above the previous year. U.S. ethanol stocks increased modestly last week to 22.2 million bbls, up 2.6% from the previous week and up nearly 7% from a year ago. Corn used to produce ethanol has slipped to 96.9 million bu, below the weekly pace of 98.45 mbu needed to achieve USDA's projection of 5.25 billion bu for MY 2015/16.

Corn Competitor / Buyer News – Trade chatter continues about the **impacts of China's ag policy shift away from supporting high domestic corn prices on world feedgrain markets**. It is widely expected that China's corn plantings will decline this year with some estimates pegged at 3 million acres, which would represent the first decline in Chinese corn acreage in 13 years. In addition, the Chinese government is expected to begin selling their massive corn stockpiles, with some recent indications that 10 MMT will soon be sold to end users. There are trade estimates circulating that project China may export up to 1.7 MMT of corn this year and over 2 MMT next year. According to USDA export sales data, China purchased 65.1 TMT of U.S. corn last week. **Brazil also remains in the headlines**, with trade estimates all over the map on current year production prospects. Cereres lowered their Brazilian corn peg this week by 6 MMT due to heat and drought in the safrinha crop, while Informa cut their estimate by 2.7 MMT, FC Stone by 6.8 MMT. There are some indications that the Mato Grosso acreage may need to be adjusted higher, which might cut production losses to only 3 MMT.

Futures Market trends this week

WHEAT – Wheat markets began the week mixed to moderately lower as winter wheat crop ratings are expected to climb after recent beneficial moisture. Wheat prices took a nosedive on Tuesday on fund selling sparked by a higher dollar and weaker outside markets. Reports from the annual HRW crop quality tour of possible record yields across much of the HRW region added to the negative tone. Wheat posted moderate gains on Wednesday despite a slightly higher dollar and more chatter of excellent yield potential across the HRW region. Wheat finished lower Thursday under pressure from strong winter wheat yield projections and lackluster export sales. **Wheat market closes on Thursday, 5/04/16...**

	May 2016	Weekly Summary	May 2016	Weekly Summary	July 2016	Weekly Summary
Chicago SRW	\$4.53	Down \$0.25	\$4.63 ¹ / ₄	Down \$0.25 ¹ / ₄	\$4.73 ¹ / ₄	Down \$0.25
KC HRW	\$4.40 ³ / ₄	Down \$0.25	\$4.52 ³ / ₄	Down \$0.25 ³ / ₄	\$4.69	Down \$0.25 ¹ / ₄
MGE DNS	\$5.31	Down \$0.09	\$5.31 ³ / ₄	Down \$0.15 ¹ / ₄	\$5.39	Down \$0.16

CORN – Corn closed mostly unchanged on Monday with gains in the last few seconds overcoming early weakness from profit-taking pressures and ideas that rapid planting progress will be possible this week as rain showers shift east. Tuesday saw a bearish reversal lower on mixed ideas about Brazil's current year crop as widely anticipated drought losses in their second corn crop (trade estimates range from 5 to 10 MMT) could be trimmed by higher acreage adjustments in the largest safrinha growing area of Mato Grosso. Corn settled modestly lower on Wednesday to a two-week low – as the market focus centers on U.S. planting progress and mixed ideas on the size of Brazil's crop. Corn posted modest losses in choppy trading on Thursday under spillover pressure from sharply lower soybeans and a higher dollar. **Corn futures contract closes on Thursday, 5/04/16... May 2016 contract at \$3.71³/₄, down \$0.18¹/₂ for the week, July 2016 contract closed at \$3.73³/₄, down \$0.18 for the week and the Sept 2016 contract closed at \$3.75³/₄, down \$0.16 for the week.**

CRUDE OIL – Crude oil market saw heavy pressure early in the week despite a lower dollar as the market continues to focus on a global oil glut and economic worries in China. Last week U.S. crude oil supplies hit an all time high and 10% above last year's tally at this time. Some of this supply bearishness is offset by data showing current U.S. oil production declined to a 1 1/2 year low last week at 8.824 million bbls per day, which should be price supportive long-term. Crude oil prices were boosted mid week by supply worries sparked by renewed Libyan violence and Canadian wild fires. The U.S. DOE Energy Information Agency reported domestic crude oil stocks increased by another 2.784 million bbls last week, compared to expected range of 750,000 to 1.4 million bbls higher. Distillates fell by 1.261 million bbls, while gasoline stocks increased by 536,000 bbls, compared to expected decline of 250,000 bbls. **Crude oil futures (June contract) finished down \$1.60/bbl for the week at \$44.32/bbl.**

USDA Crop Progress / Condition Report, May 2, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	57% planted 29% emerged	45%	70%	47%			
ID Barley	77% planted 53% emerged	71%	87%	75%			
US Spring Wheat	54% planted 22% emerged	42%	69%	39%			
ID Spring Wheat	75% planted 45% emerged	65%	87%	78%			
US Winter Wheat	42% headed	26%	39%	34%	61% g/ex	59%	43%
ID Winter Wheat	3% headed	1%	2%	-	90% g/ex	88%	61%
Corn	45% planted 13% emerged	30%	45%	30%			

Weather / Crop Conditions

U.S.

- **PNW** – A mostly wet weekend in many areas turned drier and warmer this week. By mid-week showers began overspreading the region but the extended outlook calls for warm and drier than normal conditions.
- **Northern Plains** – Mild breezy conditions started the week but gave way to very warm conditions, with temperatures well above normal.
- **Central/Southern Plains** – Some areas saw very cool conditions to start the week, with frost warnings in effect on Monday. Crop ratings showed a strong improvement in the HRW crop to 61% good/excellent which is well above the 10-year average of 46%. **Participants in the annual HRW Wheat Quality Tour are finding strong yield potential this year: KS yield projection will be released later today after the tour wraps up in west central region – for first two days the average yield estimate is 48.2 bpa vs. 34.4 bpa last week. OK yield pegged at 33.63 bpa vs. 26 bpa last year, CO crop pegged at 39 bpa and output at 75 million bu vs only 37 million bu last year; NE crop pegged at 55 bpa and output at 70.4 million bu vs. 45.9 million bu last year.**
- **Corn Belt** – Wet weekend gave way to mostly drier conditions this week as the rain showers shifted into the ECB. Two slow moving systems are moving through the country by this weekend, bringing light showers to some areas and extreme weather in others. Conditions are expected to be unsettled into next week.
- **The 6-10 day outlook** – PNW and Northern Plains expect to see warm and dry conditions, while C/S Plains and MW will see cooler temps and above normal precipitation.

INTERNATIONAL -

- **Europe** – Recent cool and wet conditions maintain favorable growing conditions.
- **Black Sea region** – Continued favorable conditions, with warm and showery conditions across S. Ukraine and W. Russia and warmth spreading across spring grain areas of C. Russia and Kazakhstan.
- **Northern Africa** – Morocco winter grains rapidly advanced to maturation and early harvest while Algeria and Tunisia grains saw mostly warm and dry conditions which are accelerating winter wheat toward maturity.
- **Middle East** – Sunny and hot conditions stretched from Syria into Iraq, rapidly advancing winter cereals, while Turkey received beneficial showers.
- **China** – Light rainfall across the North China Plains where winter wheat is filling.
- **South America** – Recent rains across west-central and southern Brazil have aided safrinha corn crop but conditions remain dry in many areas. Argentina's weather has improved, allowing corn and soybean harvest to resume.
- **Australia** – Widespread showers throughout the grain belt, with more in the extended outlook for the southeastern region.

PEST ALERT from Dr. Juliet Marshall, UI Associate Professor of Cereal Pathology & Agronomy, Idaho Falls...

Stripe rust has been detected in winter wheat. Recommend spraying susceptible winter wheat varieties with fungicides at herbicide timing if you haven't already done so. Plant resistant spring wheat (if you haven't already planted). Scout your fields. Report new occurrences please, and especially the variety and location. Reports so far include southern Power County close to Oneida county, all over Power County, Bonneville, Bingham, Minidoka, and Twin Falls counties. Picture taken at Tetonia Research Farm on May 3.

