

Idaho Grain Market Report, June 9, 2016

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, June 8, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED</b>	<b>MALTING</b>	<b>Wheat (bu.) Milling</b>			
	<b>48 lbs or better</b>	<b>Open market malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg / Ririe	\$5.80		\$4.35	\$4.11	\$5.27	\$4.71
Idaho Falls	\$6.00	\$8.90 - \$9.38	\$4.50	\$4.50	\$5.01-5.05	\$4.32-4.60
Blackfoot / Pocatello	NQ	\$8.15	\$4.50	\$4.50	\$5.30	\$4.85
Grace / Soda Springs	\$6.60		\$4.52	\$4.32	\$5.17	\$4.82
Burley / Rupert	\$6.00	\$9.38	\$4.50	\$3.89	\$5.09	\$4.79
Hazelton						
Twin Falls / Buhl / Wendell	\$6.35-6.75 \$7.75 new crop		\$4.60	NQ	NQ	
Nampa – Weiser	\$7.23		\$4.53			
Nez Perce / Craigmont	\$5.25		\$4.82	\$4.74	\$5.61	
Lewiston	\$5.75		\$5.08	\$5.00	\$5.87	
Moscow / Genesee	\$5.25-5.75		\$4.85–4.99	\$4.77-4.97	\$5.64-5.78	\$4.97

Prices at Selected Terminal Markets, cash prices FOB

	<b>#2 Feed 46 lbs. -- unit trains barge</b>	<b>Malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			<b>June Ord pro - \$5.58 -5.74½ May max 10.5% pro \$5.55–5.84½</b>	\$5.62¾ – 5.82¾	\$6.45½ - 6.65½	
Los Angeles	\$8.90-9.10					
Tulare	\$8.90–9.10					
Ogden	\$7.00		\$4.85	\$4.55	\$5.50	\$5.23
Great Falls	\$5.25	\$9.00		\$4.48-4.68 (12%)	\$5.08-5.40	
Minneapolis	\$4.90	NQ		\$5.32¾ (12%)	\$6.25½	

Market trends this week

**BARLEY** – Local feed barley prices ranged from steady to plus 30 cents, while open market malting barley prices remained steady this week. USDA reported new Marketing Year 2016/17 export sales totaled 200 MT to Japan and export shipments of 400 MT to Japan. Cumulative barley exports for MY 2015/16 which ended on May 31 were down substantially from the previous year at 26.2 TMT.

**WHEAT** – Local wheat prices were higher this week: SWW prices ranged from 30 to 60 cents higher; HRW prices ranged from 25 to 41 cents higher; and DNS prices ranged from 10 to 30 cents higher. USDA reported disappointing new marketing year export sales last week (MY 2016/17 began on June 1) at 223.8 TMT. Export shipments last week also were disappointing at 120.7 TMT. Cumulative wheat export shipments for MY 2015/16 shipments which ended May 31 totaled 19.4 MMT, down 14% from the previous year.

**Wheat Competitor / Buyer News** – USDA Ag Attache is projecting India will need to import 2 MMT of wheat this year on a disappointing wheat crop last season, up sharply from imports of only 300 TMT in MY 2015/16.

**CORN** – USDA reported stronger than expected corn export sales last week at 1.559 MMT, up 18% from the previous week and up 18% from the previous 4-week average (plus MY 16/17 export sales of 120.4 TMT). Corn export shipments last week also were strong at 1.242 MMT, up 65% from the previous week and up 19% from the previous 4-week average.

**Ethanol corn usage** – DOE’s Energy Information Agency reported a very large boost in U.S. ethanol production last week, to 1.006 million bpd – up 5% from the previous week and up 1.4% from the previous year. This represents the second biggest weekly ethanol production of all time, just shy of the all time record of 1.008 million bpd produced in November 2015. U.S. ethanol stocks continued to decline last week to 20.2 million bbls, down nearly 3% from the previous week and down 0.1% from a year ago. Corn used to produce ethanol totaled 105.63 million bu, well above the weekly pace needed to achieve USDA’s projection of 5.25 billion bu for MY 2015/16. Cumulative corn use for ethanol production not totals 3.93 billion bu.

**Corn Competitor / Buyer News** – China sold 1.79 MMT of corn in their weekly auction, about 60% of the amount offered. South Korean feed associations were active buyers of both corn and feed wheat this week.

**Futures Market trends this week**

**WHEAT** – Wheat markets traded sharply higher to start the week, boosted by stronger European wheat futures as France and other parts of Western European have received too much rain as winter cereal crops are maturing and harvest nears. Tuesday saw modest gains on follow-through short covering sparked by a weaker dollar. Wheat finished sharply higher again on Wednesday on continuing talk of rain damage in the French wheat crop and forecasts for more rain there next week. Wheat finished lower on Thursday on disappointing U.S. export sales and a mostly favorable weather outlook for winter wheat harvest, which is advancing northward into Kansas. **Wheat market closes on Thursday, 6/09/16...**

	<b>July 2016</b>	<b>Weekly Summary</b>	<b>Sept 2016</b>	<b>Weekly Summary</b>	<b>Dec 2016</b>	<b>Weekly Summary</b>
Chicago SRW	\$5.10 <sup>3</sup> / <sub>4</sub>	Up \$0.13	\$5.21 <sup>1</sup> / <sub>2</sub>	Up \$0.14 <sup>3</sup> / <sub>4</sub>	\$5.39 <sup>1</sup> / <sub>2</sub>	Up \$0.16 <sup>1</sup> / <sub>2</sub>
KC HRW	\$4.84 <sup>1</sup> / <sub>4</sub>	Up \$0.10 <sup>1</sup> / <sub>4</sub>	\$5.01	Up \$0.11 <sup>1</sup> / <sub>4</sub>	\$5.25 <sup>3</sup> / <sub>4</sub>	Up \$0.12 <sup>3</sup> / <sub>4</sub>
MGE DNS	\$5.54	Up \$0.04 <sup>1</sup> / <sub>4</sub>	\$5.62 <sup>1</sup> / <sub>2</sub>	Up \$0.14 <sup>3</sup> / <sub>4</sub>	\$5.77 <sup>1</sup> / <sub>4</sub>	Up \$0.16 <sup>3</sup> / <sub>4</sub>

**CORN** – Corn posted strong gains on Monday - jumping to 10 month highs – with support coming from problems with the Brazilian second corn crop and talk of hot weather later this week and in the extended forecast that could diminish U.S. corn yield potential. Prices closed modestly higher on Tuesday with light profit-taking erasing some of the early session gains sparked by talk of potential frost in the Brazilian state of Parana and a weaker dollar. Wednesday brought more gains in active trading on continued strong fund buying sparked by a lower dollar, strong crude oil prices and Brazilian crop worries. Profit-taking drove corn prices lower on Thursday, triggered by a stronger dollar, negative outside markets and rains currently moving across the Midwest. **Corn futures contract closes on Thursday, 6/09/16... July 2016 contract at \$4.26<sup>1</sup>/<sub>2</sub>, up \$0.08<sup>1</sup>/<sub>4</sub> for the week, Sept 2016 contract closed at \$4.30<sup>1</sup>/<sub>2</sub>, up \$0.10<sup>3</sup>/<sub>4</sub> for the week and the Dec 2016 contract closed at \$4.33<sup>1</sup>/<sub>2</sub>, up \$0.13<sup>3</sup>/<sub>4</sub> for the week.**

**CRUDE OIL** – Crude oil markets hit new highs for 2016 – topping \$51/bbl for the first time in 10 months – with bullish expectations that U.S. stockpiles will continue to decline coupled with fresh worries about global supplies after rebel attacks on Nigeria’s oil industry. The DOE’s EIA Short Term Outlook released this week projects U.S. crude oil output will continue to decline through the second half of 2016 and into 2017 – down 839,000 bpd in 2016 and another 410,000 bpd in 2017 – while domestic and global demand increases. The U.S. DOE Energy Information Agency reported domestic crude oil stocks last week fell by 3.226 million bbls, compared to an expected decline of 3.0 million bbls. Distillates increased by 1.754 million, while gasoline stocks increased by 1.363 million bbls, compared to an expected decline of 2.1 million bbls. **Crude oil futures (June contract) finished up \$1.94/bbl for the week at \$50.56/bbl.**

**USDA Crop Progress / Condition Report, June 6, 2016**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	93% emerged	88%	99%	80%	78%	77%	76%
<b>ID Barley</b>	<b>90% emerged</b>	<b>88%</b>	<b>100%</b>	<b>93%</b>	<b>81%</b>	<b>81%</b>	<b>%</b>
US Spring Wheat	96% emerged	88%	95%	78%	79%	79%	69%
<b>ID Spring Wheat</b>	<b>96% emerged</b>	<b>92%</b>	<b>100%</b>	<b>96%</b>	<b>76%</b>	<b>79%</b>	<b>%</b>
US Winter Wheat	91% headed 2% harvested	84% NA	89% 3%	83% 10%	62% g/ex	63%	43%
<b>ID Winter Wheat</b>	<b>59% headed</b>	<b>30%</b>	<b>62%</b>	<b>31%</b>	<b>86% g/ex</b>	<b>85%</b>	<b>%</b>
Corn	98% planted 90% emerged	94% 78%	99% 89%	97% 86%	75%	72%	74%

**Weather / Crop Conditions**

**U.S. – NOAA’s Climate Prediction Center raised their odds for a La Nina forming by the fall to 75% this week.**

- **PNW** – Strong heat wave which brought triple digit heat to southern Idaho is giving way to much cooler air. Rain is needed in parts of the NW to ease emerging stress on spring crops.
- **Northern Plains** – Mostly dry accompanied by building heat. Rain is in the 7-day outlook for parts of this region.
- **Central/Southern Plains** – Mostly dry and warm conditions prevailed, allowing harvest to advance northward from Texas. Some scattered showers in parts of KS and OK will briefly interrupt harvest before drier conditions return.
- **Corn Belt** – Mostly dry to start the week but fast moving storms are moving through this region on Thursday through the weekend with not much accumulation expected. Warmer temperatures in the WCB. Cooler temperatures are expected briefly this weekend before heat builds in the extended outlook.
- **The 6-10 day outlook** – Above normal temperatures expected across the Plains and WCB and cooler than normal in the Far West. Wetter than normal conditions expected in parts of the PNW and much of the MW.

**INTERNATIONAL -**

- **Canada** – Growing conditions remain mostly favorable with warmer temps and good soil moisture.
- **Europe** – Excessive moisture and flooding are raising quality concerns in winter grains across France and Germany.
- **Black Sea region** – Light showers continue across S. Ukraine and W. Russia raising some potential quality issues.
- **Middle East** – Drier conditions prevailed allowing grain to mature in Turkey.
- **China** – Wet across portions of the North China Plains is unfavorable for maturing winter wheat but light to moderate showers across the northeastern region is boosting soil moisture for emerging and developing corn.
- **South America** – Rains continued across southern Brazil but the key central-west safrinha corn growing region remained mostly dry this week. Central Argentina saw unseasonal rains which are interrupting corn harvest. Other areas remain very dry hindering winter grain planting.
- **Australia** – Most of the grainbelt continues to receive favorable moisture.