

Idaho Grain Market Report, July 28, 2016

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

NEW CROP Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 27, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	Barley (Cwt.) FEED 48 lbs or better	MALTING Open market malting	Wheat (bu.) Milling #1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg / Ririe	\$4.80-5.75		\$3.86-3.95	\$4.02	\$4.99	\$4.15-4.22
Idaho Falls	NQ	\$8.90 - \$9.37	\$3.70	\$3.90	\$4.65	\$4.15
Blackfoot / Pocatello	NQ	\$7.50	\$3.70	\$3.90	\$4.65	\$4.15
Grace / Soda Springs	\$5.75		\$3.79	\$3.90	\$4.68	\$4.14
Burley / Rupert	\$5.50	\$9.37	\$3.94	\$3.28	\$4.63	\$4.12
Hazelton						
Twin Falls / Buhl / Wendell	\$5.75- \$6.15		\$3.45-4.05	NQ	NQ	
Nampa – Weiser	\$6.50		\$4.10			
Nez Perce / Craigmont	\$4.75		\$4.27	\$4.24	\$5.12	
Lewiston	\$5.25		\$4.53	\$4.50	\$5.38	
Moscow / Genesee	\$4.75-5.25		\$4.30–4.39	\$4.27-4.41	\$5.15-5.29	\$4.41

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 - \$5.09³/₄ -5.18 max 10.5% pro \$5.04³/₄–5.20	\$4.87 ¹ / ₂ -5.12 ¹ / ₂	\$5.63 ¹ / ₄ -5.98 ¹ / ₄	
Los Angeles	\$8.80-9.00					
Tulare	\$8.80–9.00					
Ogden	\$6.10		\$4.13	\$3.80	\$5.00	\$4.80
Great Falls	\$5.25	\$8.00		\$3.74-3.88 (12%)	\$4.47-4.58	
Minneapolis	\$4.79	NQ		\$4.52 ¹ / ₂ (12%)	\$5.53 ¹ / ₄ -5.58 ¹ / ₄	

Market trends this week

BARLEY – Local NEW CROP feed barley prices ranged from minus 25 cents to plus 10 cents. Open market malting barley prices were steady. USDA reported weekly barley export sales of 400 MT to Japan and barley exports of 200 MT to Taiwan.

WHEAT – Local NEW CROP wheat prices were mostly higher this week: SWW prices ranged from minus 3 cents to plus 23 cents; HRW prices ranged from 6 to 32 cents higher and DNS prices ranged from 3 to 25 cents higher. USDA reported weekly export sales were within trade expectations at 506.1 TMT, up 6% from the previous week but down 11% from the previous 4-week average. Cumulative wheat export sales in MY 2016/17 now tally 38.8% of the USDA estimate for the marketing year, compared to a 5-year estimate of 37.2%. Wheat export shipments were better than expected at 549.9 TMT, up 53% from the previous week and up 25% from the previous 4-week average.

Wheat Competitor / Buyer News – There are mixed views on the EU wheat crop...EU officials raised their overall crop forecast this week based on better than expected yields across parts of Eastern Europe which they expect will offset lower crops in France, Germany and Poland. However private analysts have cut their EU crop forecasts, with talk of a 8-10 MMT revision lower. Meanwhile, a Russian crop consultant raised their wheat crop estimate to 69 MMT vs. USDA's

estimate earlier this month of 65 MMT. Likewise a Ukrainian crop consultant raised their wheat crop estimate from 24.4 MMT to 24.8 MMT this week based on favorable conditions and rapid harvest progress this year.

CORN – USDA reported weekly corn export sales last week were on the high end of trade expectations at 438.8 TMT old crop and 506.3 TMT new crop, up 27% from the previous week but down 5% from the previous 4-week average. Cumulative corn export sales in MY 2015/16 now tally 100.9% of the USDA estimate for the marketing year, compared to a 5-year estimate of 199.5%, but actual shipments are lagging the needed pace to reach USDA’s export forecast. Corn export shipments last week were solid at 1.38 MMT, up 11% from the previous week and up 5% from the previous 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported a downtick in U.S.ethanol production last week – down 31,000 bpd to 998,000 bpd or 3% from the previous week but up 3.4% from last year. US. ethanol stocks declined by 4% last week to 20.4 million bbls, up nearly 4% from a year ago. Corn used to produce ethanol remains very strong at 104.8 million bu, and above the weekly pace needed to achieve USDA’s projection for MY 2015/16.

Corn Competitor / Buyer News – China sold only 4 TMT out of 1.94 MMT of state corn reserves offered in auction this week.

Futures Market trends this week

WHEAT – Wheat markets began the week moderately higher in strong follow-through buying from Friday’s short covering gains. Support came from a lower dollar and growing concerns about a potentially smaller French wheat crop due to unfavorable late-season conditions. Wheat prices reversed sharply lower on Tuesday under profit-taking pressures sparked by aggressive selling pressure from cheap Russian wheat. Wheat posted mixed to lower prices on Wednesday, under pressure from lower European wheat futures and ideas that the Russian crop could reach a 20-year high this year. Wheat traded both sides on Thursday, finishing lower in light volume as the market focuses on large crops as harvest advances across Europe and the Black Sea. **Wheat market closes on Thursday, 7/28/16...**

	Sept 2016	Weekly Summary	Dec 2016	Weekly Summary	Mar 2017	Weekly Summary
Chicago SRW	\$4.10 ³ / ₄	Down \$0.15	\$4.37 ¹ / ₄	Down \$0.13	\$4.62	Down \$0.13 ¹ / ₄
KC HRW	\$4.09	Down \$0.10	\$4.35	Down \$0.10	\$4.52	Down \$0.10
MGE DNS	\$4.86 ³ / ₄	Down \$0.08 ¹ / ₂	\$5.01 ³ / ₄	Down \$0.09 ¹ / ₄	\$5.17 ¹ / ₄	Down \$0.09 ¹ / ₂

CORN – Corn finished fractionally lower to start the week as weather models remain mostly nonthreatening amid expectations of record corn yields this year. Firmer cash prices from a slow down in farmer selling provided some underlying support, along with a lower dollar. Corn continued to grind modestly lower on Tuesday from spillover pressure in wheat. Prices were lifted modestly higher on Wednesday on a combination of technical buying and export news as USDA reported a daily sale of 248 TMT of corn to unknown destination. Corn finished moderately lower on Thursday as the trade focuses on prospects of a record corn crop reinforced by a revised world corn crop forecast from the International Grains Council which is pegging the global crop at a record 1.017 billion metric tons, based on increased U.S. production. **Corn futures contract closes on Thursday, 7/28/16...** Sept 2016 contract at \$3.31¹/₄, down \$0.03³/₄ for the week, Dec 2016 contract closed at \$3.38³/₄, down \$0.03 for the week and the Mar 2017 contract closed at \$3.47¹/₂, down \$0.04 for week.

CRUDE OIL – Crude oil prices continued to grind lower this week, posting a three month low under pressure as U.S. crude oil stocks surged higher during the peak summer driving season. The U.S. DOE Energy Information Agency reported domestic crude oil stocks increased by 1.671 million bbls, compared to an expected decline of 2.3 million bbls. Distillates declined by 780,000 bbls and gasoline stocks increased by 452,000 bbls, compared to an expected gain of 40,000 bbls. **Crude oil futures (Aug contract) finished down \$3.05/bbl this week to close at a 3-month low of \$41.14/bbl.**

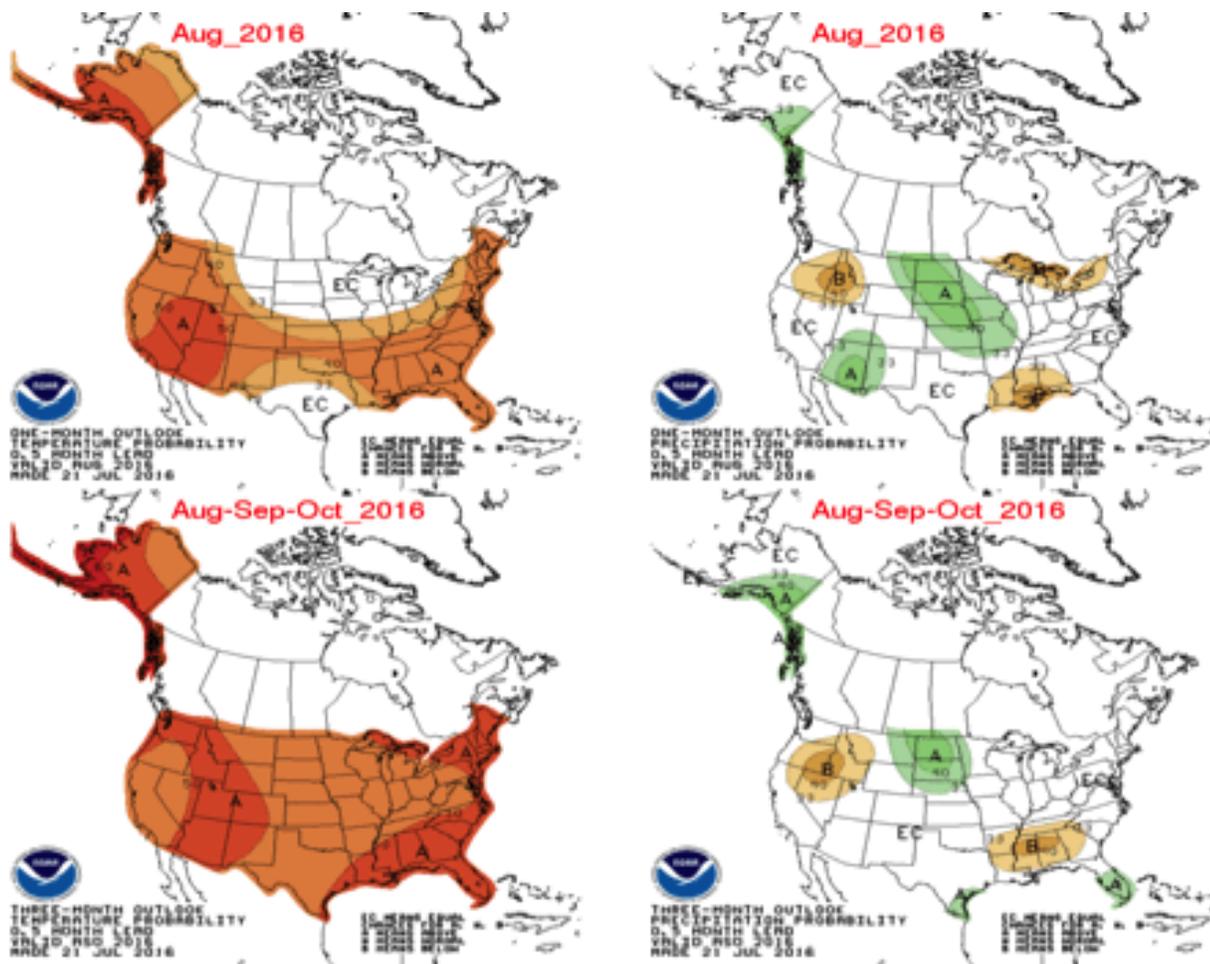
USDA Crop Progress / Condition Report, July 25, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley					73%	73%	69%
ID Barley	1% harvested	NA	10%	3%	79%	77%	87%

US Spring Wheat					68%	69%	71%
ID Spring Wheat	1% harvested	NA	5%	1%	77%	77%	74%
US Winter Wheat	83% harvested	76%	82%	79%			
ID Winter Wheat	10% harvested	5%	22%	10%	78%	78%	
Corn	79% silking 13% dough	56% NA	71% 12%	70% 13%	76%	76%	70%

Weather / Crop Conditions – U.S. –

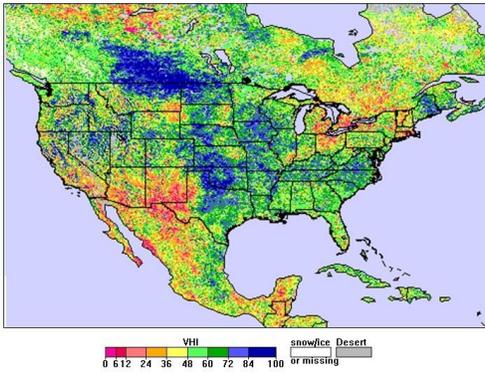
- **PNW** – Mostly warm and dry conditions prevailed this week, except for the far northwestern edge which was cool. Cooler temperatures are in the 6-10 day outlook but extended forecasts (below) show warm and dry conditions persisting through the fall.
- **Northern Plains** – Very warm and wet conditions continued, causing some concern about disease and quality losses.
- **Central/Southern Plains** – Seasonally very warm this week, stressing summer crops.
- **Corn Belt** – Very warm conditions prevailed this week. After good weekend rains two storm systems tracked through the northwestern CB this week, moving eastward into the Lower Ohio River Valley and Great Lakes region. There are pockets of moisture stress emerging in the ECB. The 15 day map shows a few days of above normal temperatures next week followed by several days of below normal temperatures and good moisture coverage across the ECB.



INTERNATIONAL -

- **Canada** – The western prairies have received heavy rainfall over the past month - as depicted by intense blue in vegetative health index map below - causing localized flooding and disease concerns.

North America Vegetation Health Index (VHI)
VHI of Current Week July 14, 2016



Data source STAR Global Vegetation Health Products

- **Europe** – Sunny warm conditions are promoting winter grain harvesting across northern Europe. The French wheat crop is now rated at 42% good/excellent compared to 76% crop rating a year ago.
- **Black Sea region** – Ukrainian consultant has raised their wheat production estimate based on favorable harvesting conditions, but barley and corn crops are experiencing heat and moisture stress. Meanwhile, Russia is expecting to harvest the largest wheat crop in 20 years.
- **China** – Untimely dryness lingers across the corn growing region of northeastern China, stressing reproductive corn, while the North China Plain continues to see heavy rains which have boosted soil moisture.
- **South America** – Mostly dry weather across Argentina is aiding final corn harvest and winter wheat planting.
- **Australia** – Nearly ideal weather persists, with the eastern growing region forecast to receive above normal rainfall during the next three months during critical winter grain growing season.