

Idaho Grain Market Report, August 15, 2019—NEW CROP PRICES

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 14, 2019. 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% Protein	#1 DNS 14% Protein	#1 HWW
Rexburg / Ririe	6.50		4.54	4.31	4.72	4.31
Idaho Falls	NA	8.30-8.33	4.50	4.24	4.40	4.25
Blackfoot / Pocatello		7.06	4.50	4.24	4.40	4.25
Grace / Soda Springs	7.00		4.51	4.20	4.64	4.30
Burley / Rupert	7.00		4.53	4.17	4.70	4.27
Twin Falls / Buhl Jerome / Wendell	6.00-6.50		4.50-4.70	4.25	4.45	4.35
Nampa / Weiser			NA			
Nezperce / Craigmont	5.21		4.95	4.17	4.95	
Lewiston	5.73		5.21	4.43	5.21	
Moscow / Genesee	5.24-5.43		4.98-5.07	4.20-4.32	4.98-5.12	

Prices at Selected Terminal Markets, cash FOB

Wednesday, August 14, 2019. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	#2 Feed Barley 46 lbs. --	Malting Barley	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			5.55-5.75	5.12-5.17	5.81	
Ogden	7.80		4.81	4.50	4.94	4.60
Great Falls	5.50-7.00	7.75-8.20		3.90-3.97	4.55-4.67	
Minneapolis					5.86	

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices ranged from down \$1.00 to no change for the week ending August 14. Idaho cash malt barley prices were unchanged for the week. For the period August 2-8, USDA FAS reported no net sales for 2019/2020. Barley exports of 200 MT to Taiwan were reported.

Barley News—USDA's World Supply and Demand Estimates Report released August 12, shows the outlook for 2019/20 U.S. barley supplies up 2 million bushels over July at 269 million bushels. With projected yield and production up slightly, unchanged projected use at 176 million bushels and unchanged projected imports at 10 million bushels, ending stocks are projected to be up 6 million bushels to 93 million bushels. The season-average farm price is increased \$0.05 per bushel to \$4.60 on updated NASS prices. Notable competitor news shows barley production raised for Argentina and Russia, but lowered for Turkey, the EU, and Kazakhstan. Barley harvest is underway around Idaho now. Winter barley harvest is mostly complete with slightly above average yields overall and overall good quality except for a few fields that were affected by a late frost during June. In most areas, Spring barley harvest is 10-14 days later than usual, but yield and quality look average to slightly above.

WHEAT—Idaho cash wheat prices were mostly down for the week ending August 14. SWW prices ranged from down \$0.20 to up \$0.05 from the previous week; HRW prices were down \$0.09 to down \$0.20; DNS prices were down \$0.08 to down \$0.30; and HWW prices were down \$0.11 to down \$0.30. USDA FAS reported net sales for 2019/2020 at 462,200 MT, down 5% from previous week and 2% from the 4 week average. Increases were to Japan (106,700 MT), South Korea (106,200 MT), Sri Lanka (78,000 MT), Vietnam (57,300 MT), and Italy (61,500 MT). Exports of 636,900 MT were to Mexico (121,200 MT), Japan (103,600 MT), Thailand (57,900 MT), Taiwan(52,800 MT), and the Philippines (51,500 MT).

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Market News and Trends This Week—continued

Wheat News—USDA’s August 12 World Supply and Demand Estimates (WASDE) Report pegs 2019/20 U.S. wheat at greater supplies, increased use and higher ending stocks. U.S. wheat production is raised 59 million bushels to 1,980 million on increased winter wheat and other spring wheat production. Estimated food use for the 2018/19 market year is lowered 5 million bushels to 955 million and food use for the 2019/20 market year is also lowered 5 million bushels to 960 million. Feed and residual use is raised 20 million bushels to 170 million on greater wheat supplies and more competitive prices. Projected 2019/20 U.S. wheat exports are raised 25 million bushels to 975 million on lower exportable supplies from key competitors, notably the EU, Kazakhstan, and Russia. Ending stocks for 2019/20 are raised 14 million bushels to 1,014 million, down 5 percent from the previous year. The season-average farm price is lowered \$0.20 per bushel to \$5.00 on updated NASS prices, lower U.S. corn prices, and reduced wheat price expectations for the remainder of the market year. Foreign 2019/20 wheat supplies are reduced 4.5 million tons with production declines led by a 2.0-million-ton reduction for Turkey on both an updated harvested area estimate as well as a lower yield, along with EU, Kazakhstan, and Russia being lowered 1.3 million tons, 1.0 million tons, and 1.2 million tons, respectively mainly due to hot and dry June conditions in winter wheat regions and expanding dryness in the spring wheat areas of Russia and Kazakhstan. Partly offsetting is a 0.5-million-ton production increase for Argentina and a 0.2-million-ton increase for Ukraine. Projected 2019/20 global exports are down 0.5 million tons led by a 1.0-million-ton reduction for Kazakhstan and 0.5-million-ton reductions each for the EU and Russia, all on the smaller crops. Partly offsetting is a 0.7-million-ton increase for the United States and 0.5-million-ton increases for both Argentina and Ukraine. Projected 2019/20 world consumption is 2.0 million tons lower on both reduced feed and residual use and food and industrial consumption. With supplies falling more than use, global ending stocks are lowered 1.1 million tons to 285.4 million tons, but remain record large.

CORN— USDA FAS reported net export sales for 2018/2019 of 56,100 MT, up 32% from the prior week and down 56% from the previous 4 week average. Increases were for Japan (107,000 MT), Mexico (86,000 MT), New Zealand (28,600 MT), Costa Rica (20,000 MT), and El Salvador (16,500 MT). Exports of 707,900 MT were up 2% from the prior week and 7% from the previous 4 week average. The destinations were primarily to Mexico (384,800 MT), Japan (85,000 MT), Colombia (49,300 MT), Guatemala (39,700 MT), and Honduras (30,200 MT).

Ethanol corn usage—DOE’s Energy Information Agency (EIA) reported ethanol production for the week ending August 9 averaged 1.045 million bbls/day – up 0.48 percent from the previous week and down 2.52 percent from last year. Total ethanol production for the week came in at 7.315 million barrels. Ethanol stocks were 23.883 million bbls on August 9, up 3.31 percent from last week and up 3.76 percent from last year. An estimated 107.79 million bu of corn was used in last week’s production bringing this crop year’s cumulative corn usage for ethanol production at 5.24 billion bu. The USDA estimates 77.818 million bu per week is needed for the total crop year estimate of 5.425 billion bu.

Futures Market News and Trends—Week Ending August 15, 2019

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, August 15:

Commodity	July 2019	Week Change	Sep 2019	Week Change	Dec 2019	Week Change	Mar 2020	Week Change
CHI SRW	\$4.69	-\$0.30½	\$4.74½	-\$0.27	\$4.81	-\$0.28	\$4.86¾	-\$0.27¼
KC HRW	\$3.89¾	-\$0.27¼	\$4.04¼	-\$0.29¼	\$4.20¼	-\$0.29¼	\$4.31	-\$0.29¾
MGE DNS	\$5.02¾	-\$0.17	\$5.14¾	-\$0.16	\$5.30	-\$0.14½	\$5.40¼	-\$0.13¼
CORN	\$3.60¾	-\$0.49	\$3.71	-\$0.46¾	\$3.83½	-\$0.44¾	\$3.91¼	-\$0.42¾

WHEAT FUTURES—Wheat futures prices dropped sharply across the board for the market week ending August 15 after USDA’s WASDE Report release on Monday showed greater wheat supplies than expected and higher ending stocks. **Wheat futures prices ranged from down \$0.14½ to down \$0.30½ (per bu) compared to the previous week.**

CORN FUTURES—After Monday’s USDA WASDE Report corn futures prices plunged deeply with the USDA’s surprise outlook for larger supplies, reduced exports and corn used for ethanol, and greater ending stocks. **Corn futures prices ranged from down \$0.42¾ to down \$0.49½ (per bu) over the previous week.**

CRUDE OIL FUTURES—Crude oil futures were down for the market week ending August 15 with the trade dispute between China and the United States worsening. Early Thursday, China said it has to take necessary counter-measures to the latest U.S. tariffs on \$300 billion of Chinese goods. In addition, recession fears were raised on Wednesday after the bond market gave a concerning signal about the U.S. economy, increasing worries over lower future demand. The fears were triggered when the yield on the benchmark 10-year Treasury note briefly broke below the two year rate, “an odd bond market phenomenon that has been a reliable indicator of economic recessions,” according to CNBC. A recession has occurred, on average, 22 months after the inversion, Credit Suisse research showed. These factors are causing investors to drop higher risk assets like crude.

EIA reported U.S. crude oil refinery inputs averaged 17.3 million bbls/day during the week ending August 9, 2019 475,000 bbls/day less than last week’s average. Refineries operated at 94.8% of capacity last week. As of August 9, there was an increase in Crude Oil stocks of 1.580 million bbls from last week to 440.51 million bbls, over the 5-year average of 425.337 million bbls. Distillate stocks decreased by 1.938 million bbls to a total of 135.513 million bbls, under the 5-year average of 140.091 million bbls; while gasoline stocks decreased by 1.412 million bbls to 233.76 million bbls, over the 224.592 million bbl 5-year average. The national average retail regular gasoline price was \$2.624 per gallon on August 12, \$0.064 lower than last week’s price and \$0.219 under a year ago. The national average retail diesel fuel price was \$3.011 per gallon, down \$0.021 per gallon from last week’s level and down \$0.206 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, August 15, 2019 to close at \$52.47/bbl (September contract), down \$0.03 for the week.

USDA Crop Progress / Condition Report—August 12, 2019

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Barley Harvested	15%	3%	37%	39%	74%	76%	81%
ID Barley Harvested	27%	5%	31%	39%	85%	83%	
US Winter Wheat Harvested	89%	82%	93%	96%	-	-	-
ID Winter Wheat Harvested	36%	15%	67%	70%	-	-	-
US Spring Wheat Harvested	8%	2%	32%	30%	69%	73%	75%
ID Spring Wheat Harvested	15%	1%	21%	32%	70%	63%	-
US Corn Silking	90%	78%	96%	97%	57%	57%	60%
US Corn Dough	39%	23%	71%	61%			

USDA U.S. Crop Weather Highlights—August 15, 2019

West—Warm, dry weather benefits wheat harvesting in northern farming areas. Farther south, hot weather accelerates development of irrigated crops, including cotton. Extreme heat warnings are in effect for California, Arizona, and southern Nevada.

Plains—Small grain harvest delayed in northern and central production areas due to scattered showers and thunderstorms. Hot, dry weather on the southern Plains, high moisture demands of cotton, sorghum, and other rain fed summer crops.

Corn Belt—Mild weather conditions in the Corn Belt. Possibility of scattered showers across the Midwest.

South—Summer heat causes rapid summer crop development. Showers from the western Gulf Coast to the southern Atlantic States. Heavy rain (up to 2 inches) in Florida and the Carolinas.

Outlook for U.S.— Heavy rain over the nation’s midsection, flooding concerns in the Corn Belt. Rainfall totals could reach 2-4 inches from northeastern Kansas northeastward to Wisconsin and Illinois. Heavy rain and possible flooding along Florida’s Gulf Coast. Rain stalls along the Gulf and southern Atlantic Coasts. Hot, dry weather in the Southwestern farming areas, with temperatures reaching well above 100 degrees. The NWS 6-10 day outlook for August 20-24 call for drier than normal weather from central Rockies to the central and southern Plains, and in parts of the Northwest. Elsewhere, near to above normal weather. Wet conditions likely in the upper Mississippi Valley and along the Gulf Coast. Warm weather expected nearly nationwide.

International Crop Weather Highlights—August 13, 2019

Europe— Rain in northern Europe eased drought and improved soil moisture for winter rapeseed planting. Summer crops prospects stabilized. Sunny skies benefit filling summer crops in the Balkans. Drought continues to affect filling summer crops in Spain, although northern portions of the country have favorable prospects.

Middle East— Sunny skies promote corn, sunflowers, and cotton maturation in Turkey.

FSU— Cool, wet weather maintained good to excellent conditions for reproductive to filling corn, sunflowers, and soybeans in Ukraine and western Russia. Drought concerns continue in northwestern Kazakhstan and parts of central Russia. Dry, warm weather affected flowering to filling spring grains in eastern growing areas. Accelerated development of open-boll cotton in Uzbekistan and environs due to hot, dry weather.

Asia— Heavy showers across India’s kharif crop area boosting moisture supplies and improving overall growing conditions. Heavy rainfall and flooding from Typhoon Lekima in southeastern China along the eastern seaboard. Good to excellent corn and soybean yield prospects in northeastern China. Heavy showers in the eastern section of the Korean Peninsula. Improved moisture conditions for rice in northern Thailand. Heavy monsoon showers submerged rice in areas of northeastern Philippines.

Australia—Dry weather continues in the northeast where wheat approaches reproduction. Good yield prospects for vegetative winter crops in the southeast. Showers favored wheat, barley, and canola in the west.

South America— Dry, favorable weather for summer crops harvesting and winter grain planting across Argentina. Dry weather benefited corn and cotton harvesting in Brazil.

Mexico— Monsoon rainfall continue over northwestern continue throughout much of the South and Northwest.

Canada—Mild, wet weather slowed growth of Prairie spring crop development.