

Idaho Grain Market Report, August 27, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 26, 2015. 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/ Roberts	\$5.00 – 5.20		\$4.90			\$4.80
Idaho Falls	\$5.85	\$11.00-11.46	\$5.05 – 5.09	\$4.15	\$4.75 - \$5.04	\$4.35 – 4.79
Blackfoot / Pocatello	NQ	\$9.00	\$5.05	\$4.15	\$4.75	\$4.35
Grace / Soda Springs	\$5.75	NQ	\$5.04	\$4.12	\$4.93	
Burley / Rupert	\$6.00-6.10	\$11.46	\$5.05-5.10	\$4.04	\$4.79	\$4.64
Hazelton						
Twin Falls / Buhl / Wendell	\$6.25–7.00		\$5.20	NQ	NQ	
			Feed wheat			
			\$4.20			
Nampa – Weiser	\$6.67	NQ	\$5.34	NQ	NQ	
Nez Perce / Craigmont	\$5.75		\$4.77	\$4.78	\$5.18	
Lewiston	\$6.25		\$5.03	\$5.04	\$5.44	
Moscow / Genesee	\$5.75-6.50		\$4.80 –4.94	\$4.81-5.05	\$5.21-5.45	\$5.05

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 protein \$5.44 ³ / ₄ -5.72 max 10.5% pro \$6.24 ³ / ₄ - 6.41	\$5.41½ - 5.66½	\$5.96¼ - 6.16¼	
Los Angeles	\$8.90-9.20			\$7.26 (12%)		
Tulare	\$8.90-9.20					
Ogden	\$6.50		\$5.34	\$4.42	\$5.43	
Great Falls	\$5.00–5.25	\$10.00		\$4.21-4.43 (12%)	\$4.72-4.94	
Minneapolis	\$5.00	NQ		\$4.96½	\$5.76½ - 5.86½	

Market trends this week

BARLEY - Local feed barley prices ranged from steady to 15 cents higher in southern Idaho and steady to 30 cents lower in northern Idaho. Open market malting barley prices were steady. USDA reported there were no barley export sales last week but there were 200 MT in export shipments to Taiwan.

Barley Competitor/Buyer News – Stats Canada pegged 2015 Canadian barley production at 7.3 MMT, up nearly 3% from last year due to increased harvested areas to 5.7 million acres.

WHEAT – Wheat prices continued to be mixed this week: SWW prices ranged from minus 7 cents to plus 12 cents; HRW prices ranged from minus 9 cents to plus 5 cents; and HRS prices ranged from 3 to 40 cents lower. USDA reported wheat export sales were better than expected at 529.1 TMT, up 68% from the previous week but down 7% from the 4-week average. Cumulative wheat export sales now tally 38.9% of the USDA estimate for the year compared to a 5-year average of 42.8%. Wheat export shipments last week were lower at 357.2 TMT, down 41% from the previous week and 15% below the 4-week average.

Wheat competitor / buy news – Stats Canada pegged 2015 Canadian wheat production at 24.6 MMT, down 16% from last year and down 34% from two years ago due to late season heat and moisture stress. By contrast, SovEcon raised their Russian wheat production estimate by 1.8 MMT to 61.3 MMT. The Russian Grain Union indicated this week that wheat exports have been on hold recently awaiting stabilization of the Russian currency exchange rate because their wheat export tax is pegged to the dollar. The EU granted export licenses for 277 TMT of wheat this week, bringing year-to-date wheat exports to 3.15 MMT. Egypt purchased 60 TMT of Russian wheat this week. Iran signaled this week that they will not need to import any wheat this year due to better than expected domestic production. Iran imported 5.2 MMT of wheat last year and USDA has pegged their current MY 2015/16 imports at 2.5 MMT.

CORN – USDA reported corn export sales were on the high end of trade expectations last week at 854.8 TMT (negative 131.8 TMT for old crop offset by stronger new crop sales of 986.6 TMT). Cumulative new crop export sales now tally 14.1% of the USDA estimate for the year compared to a 5-year average of 27.0%. Corn export shipments last week totaled 820.61 TMT, down 11% from the previous week and 14% from the 4-week average. **ProFarmer Midwest Crop Tour concluded last Thursday with an estimate of 164.3 bpa corn yield and production of 13.323 billion bu, compared to USDA's Aug. 12 estimate of 168.8 bpa and 13.686 billion bu.**

Ethanol corn usage – DOE's Energy Information Agency reported weekly ethanol production declined by 13,000 bbls per day last week, down 1.35% from the previous week but up 4.3% from the previous year. Corn used in ethanol production last week slipped to 99.96 million bu, which remains slightly above the weekly pace needed to reach USDA's estimate for the marketing year (ends Aug. 31) of 5.2 billion bu. U.S. ethanol stocks inched up slightly to 18.63 million bbls, which is nearly 8% above last year's level.

Corn competitor / buyer news – South Korea purchased 55 TMT of South American corn this week and Black Sea feed wheat. Taiwan purchased 23 TMT of U.S. corn this week.

Futures Market trends this week

WHEAT – Wheat prices posted a bullish reversal higher to start the week, boosted by a sharply lower dollar which fell to a two month low on speculation that the current turmoil in global financial markets will keep the Federal Reserve from raising interest rates. Wheat finished lower on Tuesday, pressured by profit-taking sparked by a higher dollar which was boosted by a larger than expected jump in consumer confidence. Wheat finished fractionally mixed to lower on Wednesday pressured by lower beans and corn and talk of potentially higher EU wheat production (up another 3-5 MMT) as northern European wheat yields are reported to be better than expected. Wheat prices finished moderately lower again today (Thursday) in choppy two-sided trading with most of the pressure coming from a sharply higher dollar and export demand worries. **Wheat market closes on Thursday, 8/27/15...**

	Sept 2015	Weekly Summary	Dec 2015	Weekly Summary	Mar 2016	Weekly Summary
Chicago SRW	\$4.84 ¹ / ₄	Down \$0.15 ¹ / ₄	\$4.89 ³ / ₄	Down \$0.14 ¹ / ₄	\$4.97 ³ / ₄	Down \$0.10 ¹ / ₄
KC HRW	\$4.64 ¹ / ₂	Down \$0.06 ¹ / ₂	\$4.88 ¹ / ₄	Down \$0.04 ¹ / ₂	\$5.02 ³ / ₄	Down \$0.04 ¹ / ₄
MGE DNS	\$4.94 ¹ / ₂	Down \$0.07 ¹ / ₂	\$5.13 ¹ / ₂	Down \$0.05	\$5.31	Down \$0.04 ¹ / ₄

CORN – Corn futures began the week modestly higher in choppy trading, with pressure from broad-based sell-off more than offset by active fund buying triggered by the sharply lower dollar. In turnaround Tuesday, corn settled moderately lower on favorable weather and a stronger U.S. dollar which has dampened demand outlook. Wednesday saw continued spillover pressure from beans overwhelm modest short covering support. Corn prices finished modestly higher today (Thursday) with support from higher beans and a surge in energy prices. **Corn futures contract closes on Thursday, 8/27/15... Sept 2015 contract at \$3.63³/₄, down \$0.01¹/₂ for the week, Dec. 2015 contract closed at \$3.75, down \$0.02¹/₄ and the Mar. 2016 contract closed at \$3.86¹/₄, down \$0.02¹/₂ for the week.**

CRUDE OIL – Volatility remained high in crude oil trading this week with pressure from global financial and currency turmoil and concerns about future demand in an oversupplied marketplace. DOE reported crude oil inventories fell more than expected last week by 5.452 million bbls, compared to an expected increase of 2.0 million bbls. Distillates increased by 1.436 million bbls while gasoline stocks increased by 1.66 million bbls, compared to an expected decline of 950,000 bbls. **Crude oil settled sharply higher today (Thursday) as stability returned to Chinese and other beleaguered stock markets, with WTI crude trading up \$3.96/bbl to close at \$42.56, which is up \$2.11/bbl for the week.**

USDA Crop Progress / Condition Report, August 24, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	86% harvested	66%	41%	50%			
ID barley	81% harvested	57%	39%	47%			
US spring wheat	75% harvested	53%	26%	47%			
ID spring wheat	84% harvested	55%	38%	40%			
ID winter wheat	95% harvested	90%	78%	74%			
Corn	85%dough 39%dented	71% 21%	81% 33%	81% 43%	69%	69%	73%

Weather/Crop Outlook –

- **U.S.** – PNW was warm and dry this week aiding spring grain harvest. Harvest was slowed in parts of Southeastern Idaho due to widely scattered shower activity. The Corn Belt was cool and mostly dry, except for a band of shower activity moving through the Northwest belt. A large warm ridge of high pressure over the Great Plains and Southern Rocky Mountains brought seasonably warm and dry conditions across the Plains. **The 6-10 day outlook** – Extended forecast shows warm and mostly conditions for much of the Midwest. The PNW is expected to see showers coming inland from the the Northern Pacific Ocean with cooler than normal temperatures.
- **Canada** – Warmer and drier conditions prevailed this week which aided spring grain maturation and harvest.
- **Europe** – Northern France received light rainfall this week, but the main southwestern corn belt remained mostly dry.
- **Ukraine** – Limited scattered showers this week.
- **Argentina** – Some heary rains midweek but the extended forecast is dry for the next two weeks.
- **Australia** – After recent timely rains, conditions are expected to become drier. The main grain production regions have avoided serious stress from a strengthening El Nino, which has caused some private analysts to raise their wheat production estimate to 26 MMT, compared to ABARE’s official estimate of 23.6 MMT. The extended forecast shows a drying trend.