

Idaho Grain Market Report, August 29, 2019—NEW CROP PRICES

Published weekly by the Idaho Barley Commission
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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 28, 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	5.75-6.50		4.30-4.53	4.40	4.62	4.35-4.40
Idaho Falls	NA	8.30-8.33	4.50	4.20	4.20	4.20
Blackfoot / Pocatello		7.06	4.50	4.20	4.20	4.20
Grace / Soda Springs	7.00		4.44	4.38	4.55	4.28
Burley / Rupert	6.75		4.55	4.18	4.60	4.38
Twin Falls / Buhl Jerome / Wendell	6.00		4.65			
Nampa / Weiser			NA			
Nezperce / Craigmont	5.21		4.88	4.42	4.86	
Lewiston	5.73		5.14	4.68	5.12	
Moscow / Genesee	5.24-5.43	4.91-5.00	4.45-4.46	4.89-4.96	4.95-5.07	

Prices at Selected Terminal Markets, cash FOB

Wednesday, August 28, 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			5.40-5.75	5.05-5.15	5.77	
Ogden	7.80		4.62	4.54	4.92	4.54
Great Falls	5.50-7.00	7.55-8.20		3.92-3.99	4.55-4.63	
Minneapolis					6.02	

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices ranged from down \$0.10 to no change for the week ending August 28. Idaho cash malt barley prices were unchanged for the week. For the period August 16-22, USDA FAS reported net sales for 2019/2020 of 200 MT to South Korea. Barley exports of 1,000 MT to Japan were reported.

Barley News—The global supply of barley has risen at a CAGR (compound annual growth rate) of 3.05 percent over a period of four years, according to Beroe Inc, a procurement intelligence firm, PRNewswire reported on August 27. The production of barley and malting barley is expected to see minimum growth in the upcoming years due to the increase in consumption of soy and corn in feed and biofuel industries. The key factors driving the growth of the barley and malting barley industry include the demand for feed barley from Middle Eastern countries and global demand for malting barley in brewing industries. Europe and Russia dominate the production of barley and malting barley at 41 percent and 19 percent respectively, along with Ukraine at 19 percent. These regions are the largest producers holding nearly 60 percent of the total market share. The global supply of malt is expected to grow at a CAGR of 7 percent over the next three years. Large maltsters have been continuously expanding their capacity due to an increasing demand for the brewery market. Malt production units are running at more than 85 percent rates with increasing demand from the beer industry, and in-house malting capacities of large breweries have also been expanded in recent years. A slight decline in the trade volumes was also observed due to the fact that China had an abundance of corn and it was considered as a cheaper alternative to barley for feed industries. With the global trade volumes of barley declining, there has also been a brief drop in the barley stocks globally. There is no suitable malt substitute available commercially for malt, and specialty malt varieties produced from wheat and other sources are gaining attention with increasing demand from craft breweries. Europe is the largest producer and consumer of barley. However, their major export variety is feed and they domestically consume 80 - 90 percent of the malted barley, which is used to produce beer.

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Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mixed for the week ending August 28. SWW prices ranged from down \$0.90 to up \$0.12 from the previous week; HRW prices were up \$0.02 to \$0.16; DNS prices were down \$0.04 to \$0.20; and HWW prices were up \$0.02 to \$0.18. USDA FAS reported net sales for 2019/2020 for the period August 16-22 at 661,700 MT, up 11% from previous week and 37% from the prior 4-week average. Increases were primarily for South Korea (105,100 MT), Mexico (90,700 MT, including decreases of 1,200 MT), unknown destinations (74,800 MT), Japan (69,200 MT), and Nigeria (66,000 MT). Reductions were reported for Italy (900 MT). Exports of 440,700 MT were down 33 percent from the previous week and 15 percent from the prior 4-week average. The destinations were primarily to Mexico (115,400 MT), Japan (76,600 MT), Indonesia (59,100 MT), Brazil (33,600 MT), and Guatemala (33,000 MT).

Wheat News—Wheat prices gained ground on rumors that Russia may slow down its exports in the wake of a disappointing harvest. The nation's agricultural ministry is preparing for a meeting with exporters on September 3rd. Markets cheered this update in the wake of a August 17th meeting with Russian grain exporters. This news on August 29 was delivered through a letter obtained by Reuters from Russia's National Association of Exporters of Agricultural Products. Following a meeting on Tuesday with the nation's agriculture ministry, the association said it is exploring a cap on grain exports at 30 MMT. That would likely put a curb on wheat exports right around 25 MMT. At the current pace, Russia would likely hit that 25 MMT cap around December, which would force it to pull out of the international market and put pressure on buyers in Europe. However, it's important to note that the letter was based on speculation and didn't quite capture the mood of the meeting.

CORN— USDA FAS reported net export sales for 2018/2019 reduction of 2,500 MT. Increases were for Mexico (13,500 MT), El Salvador (9,200 MT), Taiwan (5,700 MT), Nicaragua (3,400 MT), and Costa Rica (3,400 MT). Exports of 611,200 MT were up 13% from the prior week but down 8% from the previous 4 week average. The destinations were primarily to Mexico (201,600 MT), Japan 150,900 MT), Costa Rica (88,700 MT), Guatemala (57,200 MT), and El Salvador (27,200 MT).

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending August 23 averaged 1.038 million bbls/day – up 1.47 percent from the previous week and down 2.99 percent from last year. Total ethanol production for the week came in at 7.266 million barrels. Ethanol stocks were 22.982 million bbls on August 23, down 1.65 percent from last week and down 0.34 percent from last year. An estimated 107.06 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 5.45 billion bu. The USDA estimates ~20075.251 thousand bu per week is needed for the total crop year estimate of 5.425 billion bu.

Futures Market News and Trends—Week Ending August 29, 2019

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, August 29:

Commodity	July 2019	Week Change	Sep 2019	Week Change	Dec 2019	Week Change	Mar 2020	Week Change
CHI SRW	\$4.69 ³ / ₄	-\$0.05 ¹ / ₂	\$4.72 ³ / ₄	-\$0.05	\$4.78 ¹ / ₄	-\$0.28	\$4.81	-\$0.05 ³ / ₄
KC HRW	\$3.87 ¹ / ₄	-\$0.04 ¹ / ₄	\$4.01 ¹ / ₂	-\$0.03 ¹ / ₄	\$4.16 ¹ / ₂	-\$0.03 ¹ / ₂	\$4.26 ¹ / ₂	-\$0.04 ¹ / ₂
MGE DNS	\$4.09 ¹ / ₂	-\$0.19 ¹ / ₄	\$5.01 ¹ / ₂	-\$0.13	\$5.16 ¹ / ₄	-\$0.11 ¹ / ₄	\$5.26 ¹ / ₄	-\$0.11
CORN	\$3.59 ³ / ₄	\$0.00	\$3.71 ¹ / ₄	\$0.03 ¹ / ₂	\$3.83 ¹ / ₄	\$0.03 ¹ / ₄	\$3.90 ³ / ₄	\$0.02 ¹ / ₄

WHEAT FUTURES—Wheat futures prices slumped again across the board for the market week ending August 29 as traders continue to worry about large global and domestic stocks. **Wheat futures prices were down \$0.03¹/₄ to \$0.19¹/₄ (per bu) compared to the previous week.**

CORN FUTURES—Corn futures prices were mostly steady to end the market week on August 29 with traders waiting for more news on President Trump's plans to boost ethanol demand. **Corn futures prices ranged from even to up \$0.03¹/₂ (per bu) over the previous week.**

CRUDE OIL FUTURES—The crude oil market was up for the market week ending August 29, rallying during the trading session on Thursday but then turning around to show signs of weakness again. With the global economy slowing, more of a breakdown is likely coming. The US/China trade war continues, and even though we have seen the Chinese suggests they are willing to talk again, the reality is that things are a long way away from some type of true change. The damage is likely already be done to the global economy and consequently there will probably be less demand for crude oil. Americans however continue to pump crude oil into the marketplace.

EIA reported U.S. crude oil refinery inputs averaged 17.4 million bbls/day during the week ending August 23, 2019 295,000 bbls/day more than last week's average. Refineries operated at 95.2% of capacity last week. As of August 23, there was an decrease in Crude Oil stocks of 10.027 million bbls from last week to 427.751 million bbls, over the 5-year average of 422.116 million bbls. Distillate stocks decreased by 2.063 million bbls to a total of 130.06 million bbls, under the 5-year average of 141.453 million bbls; while gasoline stocks decreased by 2.090 million bbls to 231.982 million bbls, over the 223.774 million bbl 5-year average. The national average retail regular gasoline price was \$2.574 per gallon on August 26, \$0.024 lower than last week's price and \$0.253 under a year ago. The national average retail diesel fuel price was \$2.983 per gallon, down \$0.011 per gallon from last week's level and down \$0.243 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, August 29, 2019 to close at \$56.71/bbl (October contract), up \$2.54 for the week.

USDA Crop Progress / Condition Report—August 26, 2019

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Barley Harvested	54%	31%	78%	74%	76%	73%	78%
ID Barley Harvested	62%	44%	78%	70%	79%	81%	
US Winter Wheat Harvested	96%	93%	100%	99%	-	-	-
ID Winter Wheat Harvested	86%	60%	96%	90%	-	-	-
US Spring Wheat Harvested	38%	16%	75%	65%	69%	70%	74%
ID Spring Wheat Harvested	45%	27%	64%	65%	62%	69%	-
US Corn Dough	71%	55%	91%	87%	57%	56%	68%
US Corn Dented	27%	15%	59%	46%			

USDA U.S. Crop Weather Highlights—August 29, 2019

West—Hot weather continues. An extreme heat warning in effect for the Desert Southwest, where temperatures could reach 110-120 degrees. Small grain harvest delays in the Northwest due to showers.

Plains—Cool weather across Montana and the Dakotas. Hot weather across the High Plains from Colorado and Kansas southward. Top soil moisture ratings were 85% very short to short in Texas and 53% very short to short in Oklahoma.

Corn Belt—Favorable weather for the development of late planted corn and soybeans. Showers across the western Corn Belt with an approaching cold front. Top soil moisture ratings were very short to short (58%) Michigan, Indiana (45%), Ohio (35%), and Illinois (34%).

South—Mild, dry conditions benefit fieldwork and summer crop maturation. Humid, wet conditions across Florida's peninsula.

Outlook for U.S.—Hurricane Dorian is growing strength and could reach Florida's east coast as a major hurricane during Labor Day weekend. Dorian could bring heavy rainfall and damaging winds to the southern Atlantic region. Rainfall during the next 5 days in the east-central Plains. Scattered showers in the Midwest and Northeast. Dry weather west of the Rockies and across the interior Southeast. Late summer heat across much of the western U.S. The NWS 6-10 day outlook for September 2-6 calls for cooler than normal weather from the Midwest into the Northeast. Above normal weather in the southern and western U.S. Drier than normal conditions in the south-central U.S. Above normal rainfall across the remainder of the US.

International Crop Weather Highlights—August 27, 2019

Europe—Showers in the north increase soil moisture in advance of winter rapeseed planting. Dry weather in Spain maintaining irrigation demands for immature summer crops. Warm, dry conditions in Italy benefited summer crop maturation and drydown.

Middle East—Heavy rain slowed seasonal fieldwork in northern Turkey. Warm, dry weather benefited western cotton harvesting.

FSU—Warm, dry weather favored filling to maturing summer crops in Ukraine and western Russia. In Kazakhstan and central Russia, rain came too late to improve spring grain prospects. Dry weather favored cotton maturation in Uzbekistan and neighboring countries.

Asia—Showers favored vegetative kharif crops in central and eastern India. Dry weather in the west lowered soil moisture for cotton and oilseeds. Increased moisture demands for summer crops in late reproductive stages due to hot, dry weather in southern and eastern China. Good to excellent soil moisture for corn, soybeans, and rice in northeastern China. Heavy rainfall in Taiwan and locales in southeastern China. Good moisture conditions for rice nearing reproduction across Thailand. More rain needed in the northeast. Flooding rain in the northwestern Philippines.

Australia—Rain benefited wheat, barley, and canola development in the west and south. Further reduced yield prospects for wheat and other winter crops in the East.

South America—Dry weather benefited corn and cotton harvesting in most Brazilian areas. Cool, dry weather slowed early winter grain development in Argentina.

Mexico—Showers across northwestern watersheds.

Canada—Warm weather favored rapid spring crop development in the southwestern Prairies. Warm, wet conditions benefited corn and soybeans in southern Ontario.

Previous Week Recap:

IDAHO GRAIN MARKET REPORT—August 22, 2019—New Crop Prices

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 21, 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		4.43	4.38	4.67	4.38
Idaho Falls	NA	8.30-8.33	4.40	4.10	4.40	4.20
Blackfoot / Pocatello		7.06	4.40	4.10	4.40	4.20
Grace / Soda Springs	7.00		4.32	4.24	4.62	4.24
Burley / Rupert	6.85		4.43	4.10	4.64	4.20
Twin Falls / Buhl Jerome / Wendell	6.00-6.50		4.30-5.55	4.25	4.65	4.25
Nampa / Weiser			NA			
Nezperce / Craigmont	5.21		4.88	4.26	4.92	
Lewiston	5.73		5.14	4.52	5.18	
Moscow / Genesee	5.24-5.43		4.91-5.00	4.29-4.36	4.95-5.07	

Prices at Selected Terminal Markets, cash FOB

Wednesday, August 21, 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			5.40-5.75	5.05-5.15	5.77	
Ogden	7.80		4.62	4.54	4.92	4.54
Great Falls	5.50-7.00	7.55-8.20		3.92-3.99	4.55-4.63	
Minneapolis					6.02	

Futures Market News and Trends—Week Ending August 22, 2019

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, August 22:

Commodity	July 2019	Week Change	Sep 2019	Week Change	Dec 2019	Week Change	Mar 2020	Week Change
CHI SRW	\$4.67¼	-\$0.03½	\$4.71¾	-\$0.05¾	\$4.77¾	-\$0.06¼	\$4.81¾	-\$0.08
KC HRW	\$3.93¼	-\$0.01	\$4.04¼	-\$0.05¼	\$4.18¼	-\$0.07¼	\$4.28¾	-\$0.07½
MGE DNS	\$4.98½	-\$0.07	\$5.13½	-\$0.05	\$5.26¼	-\$0.06¾	\$5.36	-\$0.07
CORN	\$3.63¼	-\$0.07¾	\$3.71	-\$0.09¾	\$3.83	-\$0.09¾	\$3.90¾	-\$0.09¼

CRUDE OIL FUTURES—Crude oil futures were up \$0.12 for the market week ending August 22, but continued to show bearish pressure.

EIA reported U.S. crude oil refinery inputs averaged 17.7 million bbls/day during the week ending August 16, 2019 401,000 bbls/day more than last week's average. Refineries operated at 95.9% of capacity last week. As of August 16, there was an decrease in Crude Oil stocks of 2.732 million bbls from last week to 437.778 million bbls, over the 5-year average of 422.500 million bbls. Distillate stocks increased by 2.610 million bbls to a total of 138.123 million bbls, under the 5-year average of 141.028 million bbls; while gasoline stocks increased by 0.312 million bbls to 234.072 million bbls, over the 224.735 million bbl 5-year average. The national average retail regular gasoline price was \$2.598 per gallon on August 19, \$0.026 lower than last week's price and \$0.223 under a year ago. The national average retail diesel fuel price was \$2.994 per gallon, down \$0.017 per gallon from last week's level and down \$0.213 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, August 22, 2019 to close at \$55.35/bbl (October contract), up \$0.12 for the week.