

Idaho Grain Market Report, September 14, 2018—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, September 12, 2018. 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	5.50-6.15		4.25-4.36	4.82	5.25	5.00-5.07
Idaho Falls		8.30-8.33	4.05	4.60	5.15	5.05
Blackfoot / Pocatello		7.06	4.05	4.60	5.15	5.05
Grace / Soda Springs	3.90-6.50		4.44	4.65	5.23	5.20
Burley / Rupert	6.50		4.27	4.69	4.95	4.97
Twin Falls / Buhl Jerome / Wendell	5.00-6.50		4.20-4.25	4.47-5.40	5.06	4.90
Nampa / Weiser	5.00		4.81			
Nez Perce / Craigmont	5.21		4.95	5.24	5.62	
Lewiston	5.73		5.21	5.50	5.88	
Moscow / Genesee	5.24-5.43		4.98-5.10	5.27-5.44	5.65-5.83	

Prices at Selected Terminal Markets, cash FOB

Wednesday, September 12, 2018. 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			5.90-5.95	6.07-6.17	6.50-6.55	
Ogden	7.30		4.51	4.75	5.45	5.26
Great Falls	5.85-6.50	7.75-8.05		4.84-4.96	5.13-5.25	
Minneapolis	2.60			5.77	6.15-6.20	

Market News and Trends This Week

BARLEY—Local feed barley prices remained mostly flat this week but did range from \$0.10 lower to \$0.15 cents higher. Open market malt barley prices remained unchanged over last week. Thursday USDA reported net barley sales for the period August 31-September 6 of 1,000 MT for 2018/2019 for Taiwan. Exports of 400 MT were to the Philippines (200 MT), Taiwan (100 MT), and Japan (100 MT). The September 12 USDA WASDE Report showed no changes from the previous report in August in expected barley area harvested at 2.0 million acres for expected total U.S. production of 156 million bushels. The 2018/19 projected imports dropped from August's expected 20 million bushels to 15 million bushels, and projected exports dropped from August's 175 million bushels estimate to 170 million bushels. Average U.S. prices for barley rose from \$4.00-\$5.20/bu to \$4.10-\$5.20/bu over August.

Barley Competitor/Buyer News—England's total barley planted area fell for the first time since 2014 to 835,000 ha, with the 343,000 ha dedicated to winter barley down 4.9% on the year, while the spring barley area remained unchanged. Tunisia issued a tender this week for feed barley. It hopes to buy 75,000 mt of feed barley with shipment from October-December. This came the same week as a flurry of tender activity was launched, with state-backed buyers across the Middle East and North Africa sensing a lull in cash prices and looking to take advantage before prices increase as global stocks tighten later in the year. Tunisia's domestic crop fared poorly this year due to drought. Jordan continued its barley buying streak, paying \$2.50/mt less than last week to pick up another 60,000 mt of feed barley at tender Wednesday according to market sources. Meanwhile, barley exports from Ukraine are lagging well behind last year, coming in at 1.7 million mt, nearly 25% below exported volumes at the same time last year.

Market News and Trends This Week—continued

WHEAT—Local cash wheat prices mostly continued to drop at elevators around the state and across classes this week with a few exceptions. SWW prices ranged from \$0.15 lower to \$0.06 higher than a week ago; HRW prices ranged from \$0.22 lower to \$0.89 higher; DNS prices ranged from flat to \$0.16 lower; and HWW prices came in flat to \$0.70 lower. Thursday, USDA reported net sales of 387,600 MT for 2018/2019, up 2 percent from the previous week, but down 16 percent from the prior 4-week average. Increases were reported for Taiwan (112,500 MT), Mexico (37,000 MT, including decreases of 7,000 MT), Italy (31,700 MT), Nigeria (31,400 MT), and Algeria (30,000 MT). Reductions were for unknown destinations (75,700 MT). Exports of 429,100 MT were up 50 percent from the previous week and 6 percent from the prior 4-week average. The destinations were primarily to Sri Lanka (65,700 MT), Thailand (55,100 MT), Nigeria (46,400 MT), Japan (45,700 MT), and Taiwan (42,400 MT).

CORN—USDA reported net sales for the 2018/2019 marketing year, which began September 1, totaled 774,200 MT. Increases were reported for Mexico (218,400 MT, including decreases of 27,900 MT), Colombia (166,600 MT, including 54,800 MT switched from unknown destinations), Japan (128,300 MT, including decreases of 3,100 MT), Peru (113,000 MT, including 50,000 MT switched from unknown destinations and decreases of 1,000 MT), and Taiwan (38,900 MT, including 35,000 MT switched from unknown destinations). A total of 2,926,200 MT in sales were carried over from the 2017/2018 marketing year, which ended Aug 31. Exports for the period ending Aug 31 of 264,300 MT brought accumulated exports to 57,473,700 MT, up 4 percent from the prior year's total of 55,394,800 MT. The primary destinations were Colombia (104,900 MT), Mexico (50,100 MT), Peru (45,200 MT), Guatemala (25,400 MT), and El Salvador (11,700 MT). Exports for September 1-6 totaled 727,200 MT, with Japan (243,700 MT) and Mexico (226,700 MT) being the primary destinations.

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending September 7 averaged 1.02 million bbls/day – down 6.16% over the previous week and 2.58% over last year. Ethanol stocks were 22.894 million bbls on September 7, up .84% over last week and up 8.34% over last year. An estimated 106.19 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 106.19 million bu.

Futures Market News and Trends This Week

WHEAT FUTURES—Wheat futures prices dropped again this week. Prices were driven down by the largely unchanged September WASDE Report from the USDA which saw production cuts in Australia and Canada offset by an increase in Russian output, while US numbers came in where analysts had expected.

Wheat futures prices finished \$0.04¼ to \$0.14½ cents lower for the week. Wheat futures settlement prices for Thursday, 9/13/2018:

	Sept 2018	Week Change	Dec 2018	Week Change	Mar 2-19	Week Change
CHI SRW	\$4.71¾	-\$0.14½	\$4.97	-\$0.14¼	\$5.17¾	-\$0.13¾
KC HRW	\$4.77½	-\$0.11	\$5.01¾	-\$0.13	\$5.22¾	-\$0.13¼
MGE DNS	\$5.51	-\$0.04¼	\$5.65	-\$0.05	\$5.81	-\$0.05½

CORN FUTURES—December corn futures dropped 4.3 percent this week after the September USDA WASDE Report showed an unexpected large increase in U.S. corn supplies and a modest increase in world ending stocks, whereas the market had been expecting decreases for both. Perhaps the biggest surprise in USDA's report was the record-breaking 11.386 MT/hectare (181.3 bushels/acre) U.S. corn yield. The market had been expecting yields in the high 170's, but very few analysts foresaw yields above the 180 mark. Based on the estimated yield and acreage, USDA's 2018/19 U.S. corn production figure grew to 376.62 MMT (14.827 billion bushels), up 1.7 percent from last month and up 2 percent from 2017/18.

September 2018 contract closed Thursday at \$3.36¼ down \$0.18 for the week, December 2018 contract closed at \$3.50½, down \$0.16½ and March 2019 contract closed at \$3.62¾, down \$0.16½.

CRUDE OIL FUTURES—In their September Short-Term Energy Outlook, EIA increased the forecast price for the Brent spot price to \$73/bbl in 2018 and \$74/bbl in 2019 due to tighter crude oil markets. EIA expects West Texas Intermediate (WTI) crude oil prices to average \$6/bbl lower than Brent prices in 2018 and 2019. In early August, crude oil prices fell as declines in some emerging market currencies spurred concerns about global economic growth and oil demand. However, oil prices rose in the second half of August following reports of reduced purchases of Iranian crude oil ahead of the U.S. reinstating sanctions on Iran in November. Global petroleum inventories were estimated to have declined by almost 0.4 million bbls per day in August, the seventh consecutive month of net inventory withdrawals.

EIA reported U.S. crude oil refinery inputs averaged 17.9 million bbls/day during the week ending September 7, 210,000 bbls/day more than last week's average. Refineries operated at 97.6% of capacity last week. There was a decrease in Crude Oil stocks of 10 million bbls over last week to 396.19 million bbls, under the 5-year average of 406.02 million bbls. Distillate stocks increased by 6.16 million bbls to a total of 139.28 million bbls, while gasoline stocks increased by 1.3 million bbls to 235.87 million bbls, over the 218.16 million bbl 5-year average. **Crude oil futures finished up for the week to close at \$68.59/bbl (October contract), \$0.82/bbl above last week.**

USDA Crop Progress / Condition Report, September 11, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Barley	92%	84%	95%	92%	<i>Not reported this week.</i>		
ID Barley	97%	85%	95%	93%	<i>Not reported this week.</i>		
US Spring Wheat	93%	87%	94%	85%	<i>Not reported this week.</i>		
ID Spring Wheat	89%	73%	94%	91%	<i>Not reported this week.</i>		
US Winter Wheat					<i>Not reported this week.</i>		
ID Winter Wheat					<i>Not reported this week.</i>		
Corn	86% Dented 35% Mature	75%	73%	75%	68%	67%	61%

USDA U.S. Crop Weather Highlights—September 14, 2018

West—Cooler air across much of California and the Northwest, but late-season heat continues farther inland. Dry, windy conditions are leading to an elevated to critical risk of wildfires in the Great Basin and the Intermountain West.

Plains—Very warm, dry weather is hastening summer crop maturation and promoting harvest activities and winter wheat planting. Friday's high temperatures exceeded 90°F as far north as Nebraska.

Corn Belt—Warm, dry weather is ideal for corn and soybean maturation and early-season harvest efforts.

South—Hurricane Florence made landfall Friday near Wrightsville Beach, North Carolina, with sustained winds near 90 mph and gusts in excess of 100 mph. The hurricane slowed considerably drifting westward at 6 mph. Florence produced more than 20 inches of rain (and severe flooding) in several coastal North Carolina locations, and additional totals of at least 20 to 25 inches can be expected in some areas. Elsewhere, locally heavy showers continued along and near the Texas coast, maintaining the threat of flooding.

Outlook for U.S. Mainland—Severe coastal impacts from Hurricane Florence will diminish, but a major threat of catastrophic freshwater flooding will persist for many days and expand from coastal areas into the central and southern Appalachians. Elsewhere, significant rainfall should be confined to southern Texas and the nation's northern tier, from the Pacific Northwest into the upper Midwest. Much of the country will remain warm, but cool air will arrive across the North and the Far West. The NWS 6- to 10-day outlook for September 19 - 23 calls for above-normal temps nationwide, except for cooler-than-normal conditions from northern California and the Pacific Northwest to northern Minnesota. Meanwhile, near- to below-normal rainfall in the West should contrast with wetter-than-normal weather in the central and eastern U.S.

USDA International Crop Weather Highlights—September 11, 2018

EUROPE—Varying degrees of dryness and drought lingered from central France into Germany and northwestern Poland, limiting soil moisture for winter wheat and rapeseed planting. Rain from Italy into southeastern Europe slowed drydown and harvesting of corn, soybeans, and sunflowers.

MIDDLE EAST—Showers in northern Turkey slowed drydown and harvesting of corn and sunflowers, while sunny skies elsewhere favored summer crop harvesting.

FSU—Hot, sunny weather favored summer crop drydown and harvesting in Ukraine and western Russia but worsened drought and limited soil moisture for winter wheat planting. Cool, wet conditions slowed spring grain maturation in northern Kazakhstan and central Russia. Cool albeit dry weather favored cotton maturation in Uzbekistan and environs.

ASIA—Heavy showers from Typhoon Jebi across Japan and unusually heavy late-summer rainfall on the Korean Peninsula into northeastern China slowed maturation of summer crops. Hot, dry weather promoted maturation of summer crops on the North China Plain into the Yangtze Valley.

AUSTRALIA—Rain in the east helped condition the topsoil for summer crop planting but came much too late to improve prospects for drought-plagued winter wheat. Sunny skies benefited winter crops in the west, but more rain would be welcome in the south.

SOUTH AMERICA—Rain returned to Brazil, increasing moisture for corn and soybean establishment. Warm weather prompted rapid growth of winter grains in Argentina.

MEXICO—Showers provided a late-season boost in moisture for summer crops and reservoirs.

CANADA—Conditions remained overall favorable for maturation and harvesting of spring grains and oilseeds.