

Idaho Grain Market Report, September 17, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 16, 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 – 5.50			\$4.90 –5.00	\$4.16	\$5.06	\$4.60 – 4.90
Idaho Falls	\$5.50	\$9.38		\$5.08-5.10	\$4.10- 4.40	\$5.30- \$5.31	\$4.70–4.96
Blackfoot / Pocatello	NQ	\$9.00		\$4.95	\$4.15	\$4.85	\$4.55
Grace / Soda Springs	\$5.75	NQ		\$5.12	\$4.24	\$5.24	
Burley / Rupert	\$5.80-6.00	\$9.38		\$4.95 -5.13	\$4.11	\$4.81	\$4.71
Hazelton							
Twin Falls / Buhl / Wendell	\$6.75–7.00			\$5.20	NQ	NQ	
				Feed wheat			
				\$4.20			
Nampa – Weiser	\$7.50	NQ		\$5.73	NQ	NQ	
Nez Perce / Craigmont	\$5.75			\$4.62	\$5.02	\$5.48	
Lewiston	\$6.25			\$4.88	\$5.28	\$5.74	
Moscow / Genesee	\$5.75-6.25			\$4.65 –4.79	\$5.05-5.19	\$5.51-5.70	\$5.19

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 \$5.34 -5.43¼ max 10.5% pro \$6.38¼ - 6.77	\$5.61½ -5.91½	\$6.16½ - 6.36½	
Los Angeles	\$8.90-9.20			\$7.33 (12%)		
Tulare	\$8.90-9.20					
Ogden	\$6.35		\$5.45	\$4.55	\$5.65	\$4.90
Great Falls	\$5.00–5.25	\$10.00		\$4.31-4.53 (12%)	\$4.97 - 5.11	
Minneapolis	\$5.10	NQ		\$5.16½	\$5.96½ - 6.26½	

Market trends this week

BARLEY - Local feed barley prices were steady to 20 cents lower, but mostly steady this week. Open market malting barley prices continued to erode in the face of a large 2015 crop - steady to an additional \$1.00 lower. USDA reported there were no barley export sales or shipments last week.

WHEAT – Wheat prices were mixed to mostly higher this week: SWW prices ranged from minus 2 cents to plus 30 cents; HRW prices ranged from minus 5 cents to plus 14 cents; and HRS prices ranged from minus 4 cents to plus 45 cents. USDA reported wheat export sales were above trade expectations at 510.7 TMT (377.5 TMT for MY 2015/16 and 133.2 TMT for MY 2016/17), up 30% from the previous week and up 7% from the 4-week average. Wheat export shipments last week also were stronger at 542.6 TMT, up 8% from the previous week and up 9% from the 4-week average.

Wheat competitor / buyer news – Strategie Grains raised their EU wheat production estimate by 3.5 MMT to 147.5 MMT, down just 1.8 MMT from last year’s record large crop. Iran reports it has 10 MMT of wheat stocks on hand and will not need to import wheat this year. They imported 5 MMT of wheat last year.

CORN – USDA reported corn export sales were within trade expectations last week at 533 TMT, up 30% from the previous week. Corn export shipments totaled 806.6 TMT, down 11% from the previous week.

Ethanol corn usage – DOE’s Energy Information Agency reported weekly ethanol production continued a modest uptick last week - up 3,000 bbls per day or 0.3% from the previous week and up 3% from the previous year to 961,000 bbls. U.S. ethanol stocks fell to 18.3 million bbls, the lowest level in a year and down nearly 2% from last year. Corn used to produce ethanol totaled 100.9 million bu, in line with the pace needed to reach USDA’s projection for MY 2015/16 of 5.25 billion bu. Chinese grain officials are projecting a 13% decline in DDG imports from the U.S. this year to 4.5 MMT, due to overbought volumes and lighter demand. But China has stepped up its ethanol imports, with cumulative imports through the month of July at 126,000 tons, up five-fold from last year’s pace.

Corn competitor / buyer news – Due to heat and moisture stress in August, Strategie Grains cut their EU corn production estimate by 2.3 MMT this month to 57.4 MMT, down 24% from last year’s record large crop. Ukraine is pegging their corn crop at 24.5 MMT, down 14% from last year compared to USDA’s estimate of 27 MMT.

Futures Market trends this week

Federal Reserve keeps interest rates unchanged – In a widely anticipated decision on interest rates, the Federal Reserve announced on Thursday they were leaving the benchmark federal funds rate unchanged at the near zero (0 to 0.25%) rate that has been in effect since December 2008. For the past several months the trade has expected an interest rate increase sometime this year, most likely this month, but recent concerns about growth in China and other emerging economies and financial market turbulence prompted the Fed Reserve to remain very cautious on reversing their highly accommodative monetary policy. The Fed Chairman, however, reinforced ideas that a rate hike was still possible this year (meetings scheduled in October and December), depending on progress in achieving the Fed’s labor and interest rate goals. The Federal Reserve raised their economic growth forecast for the U.S. this year from 1.9% to 2.1%. They see continued improvements in both housing and job growth which will underpin a future decision on interest rates.

WHEAT – Wheat markets rebounded sharply higher on Monday, closing double digits higher on heavy follow-through buying sparked by ideas that the dollar might soften if the Fed does not raise interest rates later in the week and potential freeze damage reported in the Brazilian wheat crop over the weekend. In turnaround Tuesday wheat prices finished modestly lower on Tuesday under pressure from a higher dollar and weaker corn. Prices continued to slide on Wednesday and again today (Thursday) on a mix of profit-taking and long liquidation sparked by softer European wheat prices and ideas that current shower activity across the Central and Southern Plains will benefit winter wheat planting.

Wheat market closes on Thursday, 9/17/15...

	Dec 2015	Weekly Summary	Mar 2015	Weekly Summary	May 2016	Weekly Summary
Chicago SRW	\$4.81½	Down \$0.03½	\$4.88½	Down \$0.05	\$4.93½	Down \$0.05½
KC HRW	\$4.79¼	Down \$0.03	\$4.93½	Down \$0.02½	\$5.03½	Down \$0.02½
MGE DNS	\$5.10¼	Down \$0.01¼	\$5.24½	Down \$0.01½	\$5.34½	Down \$0.02

CORN – Corn futures began the week with solid gains on ideas that USDA will likely lower its planted and harvested acres in their October monthly crop production report. Gains proved to be short-lived as the market turned lower on Tuesday in the face of increased cash movement and favorable weather for crop maturity and early harvest advances. Head winds from continued volatility in outside markets also weighed on corn futures. Profit-taking and technical-based selling drove corn prices lower again on Wednesday and today (Thursday) as markets lack fresh supportive news. Faulty FSA acreage and prevented planted data released early Wednesday pressured the markets but FSA quickly released corrected data that indicate USDA might cut about 600,000 acres from planted and harvested acreage estimates next month. **Corn futures contract closes on Thursday, 9/17/15... Dec 2015 contract at \$3.79¾, down \$0.07¼ for the week, Mar. 2016 contract closed at \$3.91, down \$0.07¼ and the May 2016 contract closed at \$3.98½, down \$0.06¾ for the week.**

CRUDE OIL – Crude oil prices remained range bound this week, pressured by ongoing concerns with weakening Chinese growth and large US crude oil inventories that remain at 100 million bbls above the 5-year seasonal average. Prices rebounded sharply higher on Wednesday when DOE reported a bigger than expected decline in crude oil inventories – down 2.11 million bbls, compared to an expected increase of 1.1 million bbls. Distillates increased by 3.06 million bbls compared to an expected build of 900,000 bbls, while gasoline stocks increased by 2.84 million bbls, compared to an expected decline of 200,000 bbls. DOE reported that supplies at Cushing OK unexpectedly declined by 1.1 million bbl to a 5 ¾ month low. **Crude oil finished \$0.25 higher on Thursday to close at \$46.90, which is up \$2.27/bbl for the week.**

