

Idaho Grain Market Report, September 21, 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 19, 2018. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	Barley (Cwt.) FEED	MALTING	Wheat (bu.) Milling			
	48 lbs or better	Open Market Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Rexburg / Ririe	6.25		4.50	5.04	5.40	5.29
Idaho Falls		8.30-8.33	4.30	4.90	5.45	5.30
Blackfoot / Pocatello		7.06	4.30	4.90	5.45	5.30
Grace / Soda Springs	3.90-6.50		4.35	4.67	5.35	5.17
Burley / Rupert	6.50		4.42	4.66	5.18	5.16
Twin Falls / Buhl Jerome / Wendell	5.00-6.50		4.40-4.45	4.71	5.40	5.21
Nampa / Weiser			4.80			
Nezperce / Craigmont	5.21		5.17	5.49	5.83	
Lewiston	5.73		5.43	5.75	6.09	
Moscow / Genesee	5.24-5.43		5.20-5.30	5.52-5.59	5.86-6.03	

Prices at Selected Terminal Markets, cash FOB

Wednesday, September 19, 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			5.90-6.05	6.16-6.36	6.73	
Ogden	7.30		4.72	5.03	5.75	5.60
Great Falls	5.85-6.50	7.75.8.05		5.03-5.16	5.38-5.49	
Minneapolis	2.60			5.96	6.63	

Market News and Trends This Week

BARLEY—Local feed barley prices remained mostly unchanged this week but did see a \$0.10 increase in Ririe. Open market malt barley prices remained flat. Thursday's USDA Export Report indicated no export sales were reported for the week of September 7-13. Exports of 100 MT reported for the week were to Taiwan.

Barley Competitor/Buyer News—Russian barley output will fall below 17 million MT, dropping to its lowest level in five years as it joins the growing list of exporters facing a smaller crop this year, with big buyers forced into the market to secure supply. These declines are due to hot, dry weather over the summer in the southern region, while the center of the country suffered from ill-timed rains that slowed harvest and affected the crop's quality. The global barley supply continues to tighten with almost all major producers and exporters suffering the effects of a smaller crop. The International Grains Council's most recent forecast of global supply put this year's global crop at 140 million MT, down almost 4% from last year, the smallest in the last six years.

WHEAT—Local cash wheat prices mostly saw significant increases at elevators around the state and across the board with a few exceptions. SWW prices ranged from \$0.09 lower to \$0.25 higher than a week ago; HRW prices ranged from \$0.69 lower to \$0.30 higher; DNS prices ranged from \$.12 to \$0.30 higher; and HWW prices came in at \$0.03 lower to \$.31 higher. Thursday, USDA reported net export sales of 468,400 metric tons for 2018/2019, up 21 percent from the previous week and 32 percent from the prior 4-week average. Increases were reported for the Philippines (80,000 MT), Indonesia (70,000 MT), Vietnam (61,000 MT), Thailand (55,100 MT), and South Korea (48,600 MT, including decreases of 1,500 MT). Reported exports of 315,100 MT were down 27 percent from the previous week and 20 percent from the prior 4-week average. The destinations were primarily to Japan (150,600 MT), Mexico (49,900 MT), Malaysia (43,500 MT), Ecuador (25,000 MT), and Honduras (17,700 MT).

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Market News and Trends This Week—continued

Wheat Competitor/Buyer News—EU wheat imports are 25% higher than they were at this stage last year, pressing ahead as tight availability across the continent has left the net exporter looking beyond its borders for supply, weekly data from the European Commission showed Thursday. Another 34,865 MT landed in the EU this week, with Greece, the Netherlands and Slovenia all showing imports well ahead of where they would usually be at this stage of the year. Total imports now stand at 722,607 MT. Egypt's wheat procurement plan will proceed as planned despite rising prices in the global wheat market, with the world's biggest buyer set to increase imports 1.6% from last year, according to an update from the USDA's local office in Cairo on Thursday. Despite recent price volatility and growing talk of a tighter global supply in the second half of the 2018/19 marketing year, the USDA's Cairo office estimated state-backed imports will reach 6.8-7 million MT, up from 6.64 million MT last year. Private sector buying will boost total imports to 12.5 million MT, 1.6% higher year-on-year. Demand for wheat is likely to increase in line with higher food, seed and industrial use, with overall use up 1.5% from last year to 20.1 million MT.

CORN—USDA reported net export sales of 1,383,700 MT for 2018/2019 for Mexico (344,600 MT, including decreases of 100 MT), South Korea (204,300 MT), Peru (148,900 MT, including 72,600 MT switched from unknown destinations), Japan (145,200 MT, including 44,900 MT switched from unknown destinations), and Costa Rica (135,900 MT, including decreases of 3,000 MT). For 2019/2020, net sales of 9,700 MT were reported for Mexico. Reductions were reported for El Salvador (9,000 MT) and Israel (700 MT). Exports of 1,077,700 MT were primarily to Mexico (398,900 MT), Japan (96,000 MT), Taiwan (86,900 MT), Saudi Arabia (73,800 MT), and Colombia (73,300 MT).

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending September 14 averaged 1.05 million bbls/day – up 3.04% over the previous week and 1.74% over last year. Ethanol stocks were 22.75 million bbls on September 14, down .65% over last week and up 7.61% over last year. An estimated 109.44 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 215.63 million bu, toward the USDA estimate of 5.65 billion bu total needed this crop year.

Futures Market News and Trends This Week

WHEAT FUTURES—Wheat futures prices surged this week recovering from recent drops. Prices were driven by tightening world supplies and more export demand.

Wheat futures prices finished \$0.09¼ to \$0.15¾ cents higher for the week. Wheat futures settlement prices for Thursday, 9/20/2018:

	Dec 2018	Week Change	Mar 2019	Week Change	May 2019	Week Change
CHI SRW	\$5.24	+\$0.12½	\$5.42½	+\$0.12¼	\$5.53¾	+\$0.09¼
KC HRW	\$5.27	+\$0.10¾	\$5.50¾	+\$0.13¾	\$5.63¼	+\$0.12½
MGE DNS	\$5.88	+\$0.15¾	\$6.01¼	+\$0.13¾	\$6.08½	+\$0.12

CORN FUTURES—December corn futures are up 2 cents (0.6 percent) this week while end users secure supplies. In addition, USDA's export sales were bullish with YTD exports up 27 percent and YTD bookings (unshipped sales plus exports) are up 50 percent from last year. U.S. corn sits at among the lowest priced feed grain globally, and the dollar's recent drop is helping international buyers secure U.S. supplies.

December 2018 contract closed Thursday at \$3.52½ up \$0.00¾ for the week, March 2019 contract closed at \$3.64¾ up \$0.01 and May 2019 contract closed at \$3.72¾, down \$0.00½.

CRUDE OIL FUTURES—It's been challenging for traders in determining the sweet spot for crude oil at this time. The market's long-held supposition has been that Brent crude between \$70 and \$80 was OPEC's target. However, reports this week said that Saudi Arabia is now comfortable with Brent at \$80. Recent market forces have put Brent in a position to challenge the \$80 level and the rally into this level has been pretty smooth, suggesting little opposition to the area. Traders are primarily basing their buying decisions on concerns of supply shortages from looming U.S. sanctions against Iran, which are set to take effect in November, strong seasonal demand and the idea that spare capacity is falling sharply. As long as the focus remains on the likely supply impacts of U.S.-led Iran sanctions, the trend should continue up. The \$80 level for Brent seems to be the swing number.

EIA reported U.S. crude oil refinery inputs averaged 17.4 million bbls/day during the week ending September 14, 442,000 bbls/day less than last week's average. Refineries operated at 95.4% of capacity last week. There was a decrease in Crude Oil stocks of 2.06 million bbls over last week to 394.14 million bbls, under the 5-year average of 404.98 million bbls. Distillate stocks increased by 0.84 million bbls to a total of 140.12 million bbls, while gasoline stocks decreased by 1.72 million bbls to 234.15 million bbls, over the 217.33 million bbl 5-year average. The national average retail regular gasoline price was \$2.841 per gallon on September 17, 2018, \$0.008 higher than last week's price and \$0.207 over a year ago. The national average retail diesel fuel price was \$3.268 per gallon, \$0.010 per gallon above last week's level and \$0.477 over a year ago.

Crude Oil Futures finished up for the week to close at \$70.80/bbl (October contract), \$2.21/bbl above last week.

USDA Crop Progress / Condition Report, September 17, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Barley	96%	92%	99%	97%	<i>Not reported this week.</i>		
ID Barley	98%	97%	99%	97%	<i>Not reported this week.</i>		
US Spring Wheat	97%	93%	98%	92%	<i>Not reported this week.</i>		
ID Spring Wheat	97%	89%	99%	98%	<i>Not reported this week.</i>		
US Winter Wheat Planted	13%	5%	12%	14%			
ID Winter Wheat Planted	24%	9%	20%	19%			
Corn	93% Dented 35% Mature	86%	84%	86%	68%	68%	62%

USDA U.S. Crop Weather Highlights—September 21, 2018

West—Dry weather has returned to Arizona and New Mexico, following recent rainfall associated with the remnants of Tropical Depression Nineteen-E. Currently, warm, dry weather dominates the West. Although fire activity has slightly waned, there are still about six dozen Western wildfires, in various stages of containment.

Plains—Cool weather has replaced previously warm conditions. A frost advisory is in effect early today in western North Dakota. Meanwhile, heavy rain has developed across the southern Plains, halting fieldwork and causing local flooding, but generally benefiting rangeland and pastures.

Corn Belt—Showers in the vicinity of a cold front stretch from Michigan to Missouri. Elsewhere, cool, breezy weather in the upper Midwest contrasts with warm, humid conditions in the eastern Corn Belt. However, significant lowland flooding persists in parts of the upper Midwest, particularly in northwestern Iowa and environs, following recent downpours.

South—Major to record flooding continues in parts of eastern North Carolina and northeastern South Carolina. On the Cape Fear River, the highest crest since September 1945 is moving through Elizabethtown, North Carolina. All of the Southeast is experiencing warm, mostly dry weather—good for recovery efforts in hurricane- and flood-affected areas.

Outlook for U.S. Mainland—Heavy rain across the south-central U.S. will spread eastward this weekend. Storm-total rainfall could reach 2 to 6 inches from the southern Plains into the lower Ohio Valley. Following a surge of late season warmth, a cold front will cross the northern U.S. sparking locally heavy showers (1 to 2 inches) in the Midwest. Elsewhere, dry weather will prevail during into the coming week in most areas west of the Rockies. The NWS 6- to 10-day outlook for September 26 - 30 calls for below-normal temperatures across the Rockies, Plains, and upper Midwest, while warmer-than-normal weather will prevail in the East and the Far West. Near- to below-normal precipitation in the West should contrast with wetter-than-normal conditions throughout the South, East, and much of the Midwest.

USDA International Crop Weather Highlights—September 18, 2018

EUROPE—Drought intensified from central France into Germany and northwestern Poland, depleting soil moisture for winter wheat and rapeseed planting. Sunny, warm weather across much of southern Europe promoted drydown and harvesting of corn, soybeans, and sunflowers.

MIDDLE EAST—Showers in Turkey slowed drydown and harvesting of corn and sunflowers but supplied soil moisture for early winter grain sowing.

FSU—Much-needed rain near the Black Sea Coast improved soil moisture for winter wheat establishment. Drier, warmer conditions promoted spring grain maturation and harvesting in northern Kazakhstan and central Russia. Cool albeit dry weather favored cotton maturation and harvesting in Uzbekistan and environs.

ASIA—Unseasonably dry weather prevailed across most of India, reducing soil moisture for vegetative to reproductive crops. Mostly dry weather in eastern China aided maturation and harvesting of summer crops. Super Typhoon Mangkhut was approaching southeastern China with high winds and torrential rainfall.

AUSTRALIA—Sunny skies promoted winter grain and oilseed development in Western Australia and South Australia, but sub-freezing temperatures may have trimmed local yield prospects in the west. Dry weather in the east kept drought entrenched in major winter crop and summer crop areas.

SOUTH AMERICA—Rain benefited vegetative to reproductive wheat in Argentina and parts of southern Brazil. Showers boosted topsoil moisture for soybean planting in some Brazilian farming areas.

MEXICO—Rain boosted reservoirs in the south and northeast as northwestern monsoon rains diminished.

CANADA—Mostly dry weather aided Prairie spring grain harvesting, and summer crop harvests in Ontario.