Idaho Grain Market Report, September 26, 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, September 25, 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	5.75-6.75		4.45-4.60	4.54	5.38	4.50-4.54
Idaho Falls		8.30-8.33	4.70	4.60	4.90	4.60
Blackfoot / Pocatello		7.06	4.70	4.60	4.90	4.60
Grace / Soda Springs	7.00		4.42	4.44	4.98	4.44
Burley / Rupert	6.75		4.48	4.30	5.10	4.50
Twin Falls / Buhl Jerome / Wendell	6.00		4.60			
Nampa / Weiser			NA			
Nezperce / Craigmont	5.46		5.00	4.59	5.77	
Lewiston	5.98		5.26	4.85	6.03	
Moscow / Genesee	5.49-5.93		5.03-5.15	4.62-4.74	5.80-5.93	

Prices at Selected Terminal Markets, cash FOB

Wednesday, September 25, 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			5.88-5.92	5.54-5.64	6.44-6.49	
Ogden	7.80		4.72	4.74	5.28	4.74
Great Falls	4.75-6.50	7.70-8.50		4.03-4.21	5.09-5.29	
Minneapolis						

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were down $0.25 to unchanged for the week ending September 25. Idaho cash malt barley prices were unchanged for the week. For the period September 13-19, USDA FAS reported net barley sales of 100 MT to Japan for 2019/2020. Barley exports of 700 MT to Japan, up noticeably from the previous week were reported.

Barley News— Wet weather and delayed harvest in some areas of the U.S. has lead to quality issues in barley. Idaho has reported good quality in its barley harvest, while national barley leaders say other regions have sustained sprout damage. The world's largest beer exporter is now Mexico, which is good news for U.S. barley farmers and malt producers who supply their main ingredient. The U.S. Grain Council is strengthening existing supply -chain relationships and introducing new buying strategies, including trade team missions to barley producing states. Mexican breweries rely on U.S. barley producers for imported barley. Mexico imported 269,000 metric tones (12.4 million bushels) of U.S. malted barley in the 2017-2018 marketing year, representing the shingle largest market, and continuing to grow. Total Mexican beer sales are now worth more than $20 billion annually, and continuing to go year after year. All of the major breweries are making big investment sin new brewing, malting, and bottling plants. This growth and investment means more demand for malted barley and barley for malt. Mexico is expanding its local barley production but cannot keep up with the growing demand. While the United States dominates the barley market share, malted barley from France, Belgium, Russia, and Ukraine are now entering the Mexican market making the duty free access provided by North American Free Trade Agreement and the pending United States-Mexico-Canada Agreement are more important than ever.

Published by the Idaho Barley Commission (IBC) weekly except for weeks with major holidays. Information included is from reliable sources and every effort is made to ensure accuracy on the date of publication, but no independent review has been made and we do not guarantee completeness or accuracy. Use of this information is at your own discretion and risk. Editors: Laura Wilder, IBC Administrator, lwilder@barley.idaho.gov and Wren Hernandez, IBC Administrative Assistant, whernandez@barley.idaho.gov. Office Phone: 208-334-2090.

Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mixed for the week ending September 25. SWW prices ranged from down $0.12 to up $1.04 from the previous week; HRW prices were unchanged to up $1.45; DNS prices were up $0.30 to up $1.60; and HWW prices were unchanged to up $0.30. USDA FAS reported net sales for 2019/2020 for the period September 13-19 at 283,200 MT, down 1 percent from the prior week and 40 percent from the previous 4 week average. Increases were primarily for Japan (103,500 MT), the Philippines (61,900 MT), Mexico (58,900 MT), Egypt (50,000 MT), Yemen (30,000 MT), South Korea (13,000 MT), Vietnam (12,200 MT), Chile (11,000 MT), and Algeria (10,000 MT). Exports of 498,400 MT were down 2 percent from the previous week but up 4 percent from the prior 4-week average.

Wheat News—A tariff agreement signed on Wednesday, September 25 by President Donald Trump and Japanese Prime Minister Shinzo Abe will keep exports of U.S. wheat flowing to a very large and crucial market for U.S. wheat producers. When the agreement goes into affect, Japan's effective tariff on imported U.S. wheat will drop to the same level Japanese flour millers now pay for Canadian and Australian wheat. In addition to matching the Canadian and Australian tariff schedule for U.S. wheat, Japan has also agreed to open country specific quotas for U.S. Wheat and wheat product imports. U.S. wheat counts for about 50% of all wheat Japan imports each year, currently valued at more than $600 million, more than 10% of total annual U.S. wheat exports. Representatives from the Taiwan Flour Mills Association (TFMA) signed a letter of intent with Governor Brad Little, the Idaho Wheat Commission and the Taipei Economic and Cultural Office (based in Seattle) in Boise on September 24 to purchase 1.8 million metric tons (66.1 million bushels) of U.S. wheat at a value of $576 million between 2020 and 2021.

CORN— USDA FAS reported net export sales for 2019/2020 for period September 13-19 of 494,000 MT were primarily to Mexico (196,800 MT), Japan (92,900 MT), unknown destinations (85,300 MT), Colombia (47,300 MT), and Thailand (39,400 MT). Exports of 278,900 MT were to Mexico (169,700 MT), Taiwan (27,200 MT), Japan (25,900 MT), Guatemala (22,600 MT), and the Dominican Republic (14,900 MT).

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending September 20 averaged 943 thousand bbls/day – down 5.98 percent from the previous week and 8.98 percent from last year. Total ethanol production for the week came in at 6.601 million barrels. Ethanol stocks were 22.5 million bbls on September 20, down 3.18 percent from last week and 0.57 percent from last year. An estimated 94.36 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 282.46 billion bu. Corn used needs to average 105.356 million bu per week to meet USDA estimate of 5.475 billions bu for the crop year.

Futures Market News and Trends—Week Ending September 26, 2019

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, September 26:

Commodity	Dec 2019	Week Change	Mar 2020	Week Change	May 2020	Week Change	July 2020	Week Change
CHI SRW	**$4.84¼**	**-$0.00¼**	**$4.90¼**	**-$0.00¾**	**$4.94¼**	**-$0.01½**	**$4.98½**	**-$0.01¼**
KC HRW	**$4.08¼**	**$0.00¾**	**$4.21½**	**$0.00½**	**$4.31¼**	**$0.00½**	**$4.40½**	**$0.00¼**
MGE DNS	**$5.48¾**	**$0.24½**	**$5.62**	**$0.24¾**	**$5.72**	**$0.23½**	**$5.81¾**	**$0.24¼**
CORN	**$3.72½**	**$0.02¼**	**$3.84¾**	**$0.03**	**$3.92¼**	**$0.02¾**	**$3.97½**	**$0.02¼**

WHEAT FUTURES—Wheat futures prices were mixed for the market week ending September 26 with this week's export report showing lackluster wheat sales, and down overall compared to last week. **Wheat futures prices were down $0.01½ to up $0.24¾ (per bu) compared to the previous week.**

CORN FUTURES—Corn futures prices were up slightly despite poor export data from USDA to end the market week on September 26.
Corn futures prices ranged from up $0.02¼ to up $0.03 (per bu) over the previous week.

CRUDE OIL FUTURES—Crude oil futures fell lower for the market week ending September 26 on negative carry over from Wednesday's bearish EIA inventory report and the economic slow down in China. Concerns that the deepening economic slow down in China (the world's second largest crude consume), will cut its energy demand will be negative for crude prices. On Wednesday, China's Beige Book said China's Q3 economy was the weakest it has been all year.

EIA reported U.S. crude oil refinery inputs averaged 16.5 million bbls/day during the week ending September 20, 2019 193,000 bbls/day less than last week's average. Refineries operated at 89.8% of capacity last week. As of September 20, there was an increase in Crude Oil stocks of 2.412 million bbls from last week to 419.538 million bbls, over the 5-year average of 418.102 million bbls. Distillate stocks decreased by 2.978 million bbls to a total of 133.685 million bbls, under the 5-year average of 143.262 million bbls; while gasoline stocks increased by 0.519 million bbls to 230.204 million bbls, over the 222.131 million bbl 5-year average. The national average retail regular gasoline price was $2.654 per gallon on September 23, $0.102 higher than last week's price but $0.190 under a year ago. The national average retail diesel fuel price was $3.081 per gallon, up $0.094 per gallon from last week's level but down $0.190 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, September 26, 2019 to close at $56.41/bbl (November contract), down $1.68 for the week.

USDA Crop Progress / Condition Report—September 23, 2019

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/ Excellent	Previous Week	Previous Year
US Barley Harvested	92%	87%	99%	99%			
ID Barley Harvested	**98%**	**94%**	**100%**	**99%**			
US Winter Wheat Planted	22%	8%	26%	24%	-	-	-
ID Winter Wheat Planted	**27%**	**13%**	**38%**	**32%**	**-**	**-**	-
US Spring Wheat Harvested	87%	76%	99%	97%	-	-	-
ID Spring Wheat Harvested	**95%**	**89%**	**100%**	**100%**	**-**	**-**	-
US Corn Dented	79%	68%	96%	94%			
US Corn Mature	29%	18%	69%	57%	57%	55%	69%
Corn Harvested	7%	4%	15%	11%			

USDA U.S. Crop Weather Highlights—September 26, 2019

West—Heavy showers across the Desert Southwest. Very warm conditions across the Great Basin and Intermountain West. A cold front is arriving at the northern part of the region, bringing scatters showers.

Plains—Cool conditions near the Canadian border. Near to above normal temperatures farther south. Montana will receive some showers. Portions of Montana's high plains may see some blizzard conditions.

Corn Belt— Showers from the lower Great Lakes region into the Ohio Valley. Favorable crop maturation weather in the Midwestern region, where less than 60% of the corn had dented by September 22 in Michigan, Ohio, North Dakota, and Wisconsin.

South—Thunderstorms and showers across the Ozark Plateau and environs. Dry and above normal conditions in most of the region favor harvest activities, but pastures are suffering. Winter grains and crop will need moisture soon.

Outlook for U.S.— Cool conditions across the northwestern half of the US, late season warm weather across the South. Freezes can be expected during the weekend and early next week across the northern High Plain and the interior Northwest, that could reach the upper Midwest. Late week and weekend rain could be heavy from the northern Rockies in to the upper Midwest, 1-3 inches possible. Early season snow and wind is possible across the Rockies and northern High Plains. Rain in the Northern Plains could affect producers attempting to complete small grain harvesting. The NWS 6-10 day outlook for October 1-5 calls for possible below normal temperatures across the northern half of the Plains and much of the West. Warmer than normal conditions in the southern Rockies and along Texas to Michigan. Near or above rain across most of the US . Drier than normal conditions in the Southeast.

International Crop Weather Highlights—September 24, 2019

Europe— Severe drought has decreased moisture for winter crop planting and establishment from central France into northwestern Germany. Southeastern England has been dry for the past 30 days. Reduced soil moisture in the Balkans for winter wheat and rapeseed sowing. Rain in the south eased drought in Spain. In the north, soil moisture is favorable.

Middle East– Dry weather promoted corn, sunflower, and cotton harvesting.

FSU– Limited soil moisture for winter grains in central and western Ukraine, somewhat better moisture supplies in primary wheat areas of southern Ukraine. Much needed rain in southwestern Russia benefited topsoil moisture for winter wheat.

Asia– Showers in much of India, areas of dryness in eastern rice areas. Drier conditions coming for maturing early crop rice and cotton in northern India and Pakistan. Mild conditions across eastern China promoted maturation of summer crops. Much needed rain easing the seasonal drought in South Korea, but too late to benefit rice. Showers across the northern Philippines, Thailand, and the environs, food moisture conditions for reproductive rice maintained.

Australia–Heavy rain across South Australia, favorable for reproductive wheat, barley, and canola. Some showers in Western Australia and Victoria. More rain needed. Drought promoted wheat maturation and discouraged widespread summer crop sowing in the northeast.

South America– Warm, dry conditions promoted growth if Argentina winter grains, more rain needed. Rain favored emerging summer crops in southeastern Brazil. Farmers in central production areas wait for the rainy season.

Mexico– Heavy showers brought by Hurricane Lorena to the southwestern coast and northwest.

Canada—Unseasonable moisture in eastern spring grain and oilseed areas. Warm, dry conditions benefited drywdown and harvesting of corn and soybeans in Ontario.