

Idaho Grain Market Report, October 15, 2015

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 14, 2015. 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% pro	#1 DNS 14% pro	#1 HWW
Rexburg/ Ririe/ Roberts	\$5.00 – 5.85		\$5.20	\$4.35	\$5.42	\$5.07
Idaho Falls	\$6.00	\$9.20 - \$9.38	\$5.20-5.28	\$4.40	\$5.26-5.30	\$4.95-5.10
Blackfoot / Pocatello	NQ	\$9.00	\$5.20	\$4.40	\$5.30	\$4.95
Grace / Soda Springs	\$6.00	NQ	\$5.24	\$4.42	\$5.27	
Burley / Rupert	\$6.00	\$9.38	\$5.28 -5.35	\$4.35	\$5.06	\$4.95
Hazelton						
Twin Falls / Buhl / Wendell	\$6.75–7.00		\$5.40	NQ	NQ	
			Feed wheat			
			\$4.20			
Nampa – Weiser	\$7.02	NQ	\$5.73	NQ	NQ	
Nez Perce / Craigmont	\$5.75		\$4.79	\$5.29	\$5.79	
Lewiston	\$6.25		\$5.05	\$5.55	\$6.05	
Moscow / Genesee	\$5.75-6.00		\$4.82 –4.96	\$5.32-5.46	\$5.82-5.96	\$5.46

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 \$5.38¼ -5.59 max 10.5% pro \$6.58¼ - 6.94	\$6.10¾ – 6.20¾	\$6.41 - 6.66	
Los Angeles	\$9.90-10.25			NQ (12%)		
Tulare	\$10.00 – 10.25					
Ogden	\$6.60		\$5.50	\$4.75	\$5.80	\$5.10
Great Falls	\$5.00–5.50	\$10.00		\$4.59-4.90 (12%)	\$5.06-5.26	
Minneapolis	\$5.42	NQ		\$5.30¾	\$6.36 - 6.46	

Market trends this week

BARLEY - Local feed barley prices ranged from steady to plus 25 cents, but were mostly steady this week. Open market malting barley prices were steady to 5 cents lower this week. USDA will release their weekly export sales tomorrow due to Monday's holiday.

WHEAT – Wheat prices were lower this week: SWW prices ranged from steady to minus 10 cents; HRW prices ranged from steady to minus 23 cents; and DNS prices ranged from minus 21 cents to plus 1 cent. USDA will release their weekly export sales tomorrow due to Monday's holiday. On Tuesday they reported wheat export shipments last week were well below trade expectations at 291 TMT – a marketing year low – and down 51% from the previous week. Cumulative wheat export shipments have reached 36% of the USDA estimate for the marketing year, compared to a 5-year average of 39.9%.

Wheat competitor / buyer news – Strategie Grains has raised their EU soft wheat production estimate by 2 MMT this month to a new record high of 149.5 MMT and have increased ending stocks by 4.9 MMT to 18.4 MMT. Saudi Arabia purchased 740 TMT of hard wheat this week, likely originated by the EU. Egypt purchased 120 TMT of Russian and 60 TMT of Romanian wheat earlier this week and another 240 TMT of Russian and Romanian wheat today. US wheat offers

remain about \$30/MT above prices out of the Black Sea region. El Nino conditions may cause India to become a net wheat importer for the first time in several years. The Indian government is considering raising their wheat import tariff from 10% to 25% to discourage wheat imports from sources like Australia and France (better quality wheats) in favor of domestic government stocks.

CORN – USDA will release their weekly export sales tomorrow due to Monday’s holiday. On Tuesday they reported corn export shipments last week were below trade expectations at 573.3 TMT, but up 17% from the previous week. Cumulative corn export shipments have reached 8.1% of the USDA estimate for the marketing year, compared to a 5-year average of 11.6%.

Ethanol corn usage – DOE’s Energy Information Agency reported a modest downtick in ethanol production last week – down 1,000 bbls per day or 0.1% from the previous week to 949,000 bbls, which is up 7.3% from the previous year. U.S. ethanol stocks continued to inch up slightly to 18.96 million bbls, up 0.8% from the previous week and up 3.2% from the previous year. Corn used to produce ethanol last week totaled 99.65 million bu, still running slightly below the pace needed to reach USDA’s projection for MY 2015/16 of 5.25 billion bu.

Corn competitor / buyer news – CONAB pegs the 2014/15 Brazilian corn crop at more than 100 MMT compared to an earlier projection of 96.2 MMT and USDA’s estimate this month of 85 MMT. Strategie Grains has raised their EU corn production estimate by 200 TMT to 57.6 MMT, which is still down notably from last year’s record 75.9 MMT crop.

Futures Market trends this week

WHEAT – Wheat futures finished modestly lower on Monday in mostly quiet two-sided trading. Support came from a lower US dollar index to a one month low and confirmation of large Saudi Arabian purchase, likely originated out of the EU. Wheat posted a solid reversal higher on Tuesday with support from short covering triggered by a surge higher in soybeans and concerns about persistent dryness in Australia and Russia. The wheat market could not hold these gains, however, as profit-taking drove prices lower on Wednesday, giving back most if not all of Tuesday’s gains. Wheat finished lower again today (Thursday) in light trading under pressure from extended forecasts which show good rainfall across the Central and Southern Plains next week. **Wheat market closes on Thursday, 10/15/15...**

	Dec 2015	Weekly Summary	Mar 2015	Weekly Summary	May 2016	Weekly Summary
Chicago SRW	\$5.02½	Down \$0.06¾	\$5.10½	Down \$0.06¼	\$5.15¼	Down \$0.06½
KC HRW	\$4.96¼	Down \$0.04	\$5.11¼	Down \$0.03½	\$5.21	Down \$0.03¼
MGE DNS	\$5.23½	Down \$0.06	\$5.37¼	Down \$0.04¾	\$5.47	Down \$0.03½

CORN – Corn futures began the week moderately lower in follow-through selling from Friday’s downside breakout that was triggered by bearish supply and demand estimates. Favorable weather for a rapidly advancing harvest pace added to the negative tone. Corn ground modestly higher on Tuesday with support from a surge in soybeans but good harvest weather and mixed ideas on yields and demand continues to limit gains. Wednesday saw prices retreat with little fresh supportive news and weaker than expected weekly export inspections. USDA confirmed that US export shipments have fallen 24% behind last year’s pace at this time, due to strong competition out of South America. Corn extended its downtrend today (Thursday) on expanding harvest hedge pressures and a firmer dollar index. Hedge related pressure is expected to ease soon as the corn harvest crossed the half way mark this week. **Corn futures contract closes on Thursday, 10/15/15... Dec 2015 contract at \$3.75½, down \$0.07¼ for the week, Mar. 2016 contract closed at \$3.86½, down \$0.07 and the May 2016 contract closed at \$3.92¾, down \$0.07¼ for the week.**

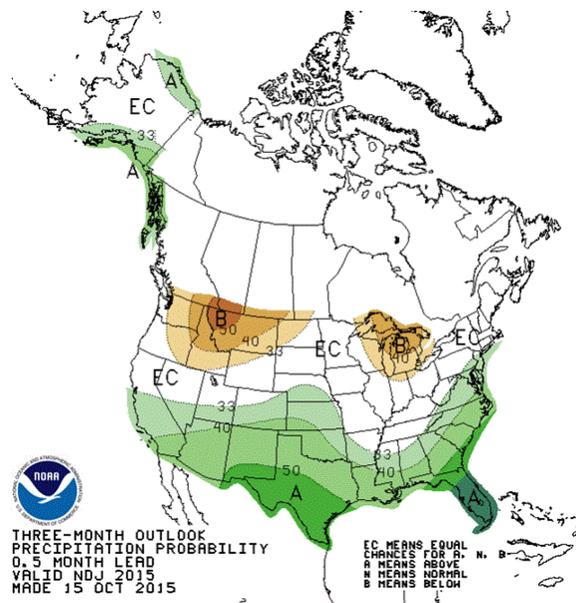
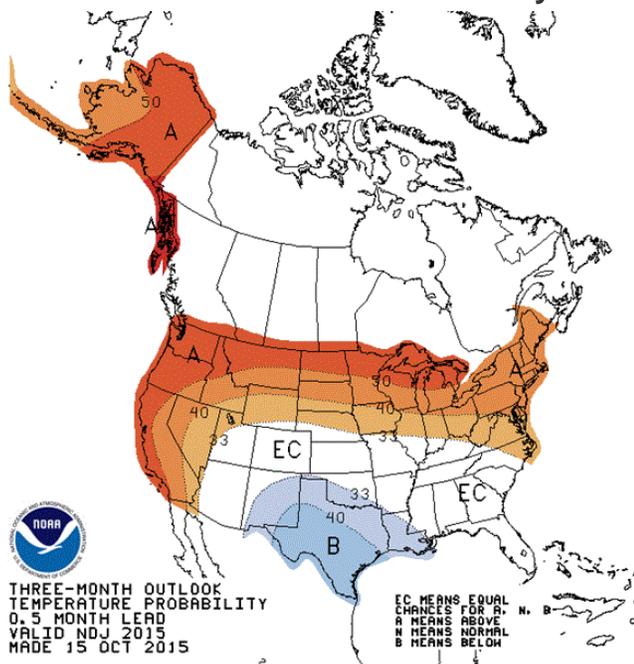
CRUDE OIL – Crude oil futures fell sharply on Monday on demand worries as the Chinese economy is demonstrating strong deflationary signs as producer prices fell 6% last month, the fastest decline in 6 years. Chinese imports last month plunged 20%, the steepest decline in 7 months. However, Chinese crude oil demand remained strong for the period January through September, with cumulative use up nearly 9% from the same period a year ago. The EIA released its monthly domestic oil drilling report, showing U.S. production in the shale oil region falling by 93,000 bpd in November compared to October. However, oil inventories remain very high compared to long-term averages.... DOE reported crude oil inventories increased by 7.562 million bbls, compared to an expected increase of 2.6 million bbls. Distillates decreased by 1.52 million bbls, compared to an expected decline of 570,000 bbls. Gasoline stocks fell by 2.618 million bbls, compared to an expected decline of 1.75 million bbls. DOE reported that supplies at Cushing OK increased sharply last week – up by 1.125 million bbls. **Crude oil finished \$.26 lower on Thursday to close at \$46.38, with pressure from a larger than expected build in crude oil inventory – down \$3.25/bbl for the week.**

USDA Crop Progress / Condition Report, October 12, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	64% planted 33% emerged	49%	66%	66%			
ID winter wheat	75% planted 38% emerged	60%	78%	77%			
Corn	94% mature 42% harvested	86%	86%	91%	68%	68%	74%

Weather/Crop Outlook –

- U.S. –** Nearby outlook shows warm and dry conditions persisting across the West, maintaining moisture stress for winter wheat which is struggling to emerge in some areas. The U.S. heartland remains mostly warm and dry with a large region of the Central Corn Belt and Central and Southern Plains receiving negligible rain for the past 30 days. This warm dry pattern favors rapid summer crop maturation and harvest, but has slowed winter wheat planting and emergence. This dry pattern is consistent with the currently strong El Niño, which predicts a below average rainfall pattern for this region in the October to December period. By the end of this week a cold front is expected to track eastward from the PNW which will bring scattered showers. A hard frost is expected Saturday morning across the Upper Midwest but most the corn crop is mature now and not at risk. Little to no rain is expected for much of the Central Plains and Corn Belt for the next 5 days. **The 6-10 day outlook –** Above normal temperatures and near to above normal precipitation are expected for most of the country, except for drier than normal along the Pacific Coast. **NOAA released their updated three month temperature and precipitation outlooks today (Oct. 15, 2015) which show below normal precipitation for the PNW grain belt and above average precipitation for much of the Central and Southern Plains, which would be consistent with an El Niño anomaly.**



- Black Sea –** The prevailing weather pattern may be shifting wetter in the coming weeks, improving chances for meaningful rain coverage for Southern Russia later next week, but at least 25% of the winter wheat region is expected to remain adversely dry. Ukraine reports dry conditions could cut winter wheat acreage by as much as 30%.
- Brazil –** Subpar moisture across Mato Grosso and northeastern tropics has hindered soybean planting and may reduce second crop corn yield potential later in the year. Planting progress has fallen behind the five year average pace. By contrast, heavy rainfall across southern production region is delaying corn shipments.
- Argentina –** Wheat regions expected more rain this week.
- Australia –** Still trending dry, but southern production region was receiving showers this week and other areas show better chances for rain in the next two weeks.