

Idaho Grain Market Report, October 18, 2018—NEW CROP PRICES

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 17, 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	5.50-6.25		4.50-4.86	5.22-5.28	5.61-5.65	5.25-5.57
Idaho Falls		8.30-8.33	4.45	5.00	5.45	5.40
Blackfoot / Pocatello		7.06	4.45	5.00	5.45	5.40
Grace / Soda Springs	4.00-6.50		4.47	4.86	5.55	5.31
Burley / Rupert	6.25		4.62	4.70	5.27	5.20
Twin Falls / Buhl Jerome / Wendell	5.00-6.50		4.45-4.55	4.85	5.57	5.25
Nampa / Weiser			4.95			
Nezperce / Craigmont	5.21		5.35	5.66	5.98	
Lewiston	5.73		5.61	5.92	6.24	
Moscow / Genesee	5.24-5.43		5.38-5.50	5.69-5.86	6.01-6.13	5.86

Prices at Selected Terminal Markets, cash FOB

Wednesday, October 17, 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			6.00-6.25	6.31-6.51	6.73-6.83	
Ogden	7.40		4.77	5.16	5.90	5.70
Great Falls	5.85-6.50	7.75-8.05		5.28-5.48	5.64-5.81	
Minneapolis	2.60			6.01	6.68	

Market News and Trends This Week

BARLEY—Local feed barley prices and open market malt barley prices were unchanged this week at elevators around the state. USDA reported no net export sales for the week. Exports of 300 MT were to Taiwan (200 MT) and Vietnam (100 MT).

Barley News—A study released this week in the journal Nature Plants claims that global warming will lead to substantial decreases in barley crop yields, causing beer shortages and an increase in beer prices. A team of scientists examined scenarios resulting from climate change and then figured out the expected impact on global barley yields and beer prices through strategic models on climate, crops and economics. With their results, they say that under climate change there could be a 3% to 17% decline in barley yields but varying among nations, with the U.S and Australia probably producing more barley while China, Brazil and Japan produce less. To read the full study, go to: <https://www.nature.com/articles/s41477-018-0263-1>.

WHEAT—Local cash wheat prices were still mixed at Idaho elevators this week but trended higher overall than last week. SWW prices ranged from \$0.10 lower to \$0.15 higher than a week ago; HRW prices were up across the board at \$0.04 to \$0.21 higher; DNS prices ranged from \$0.05 lower to \$0.05 higher; and HWW prices were \$0.01 lower to \$0.11 higher. USDA reported net export sales of 476,000 metric tons for 2018/2019, up 40 percent from the previous week, but unchanged from the prior 4-week average. Increases were reported for Bangladesh (180,000 MT), Japan (78,700 MT, including decreases of 200 MT), unknown destinations (76,100 MT), Italy (35,500 MT), and the Philippines (31,700 MT). Reductions were for South Korea (1,500 MT) and Chile (900 MT). Exports of 491,000 MT were down 2 percent from the previous week, but up 21 percent from the prior 4-week average. The destinations were primarily to Mexico (120,200 MT), Iraq (104,500 MT), the Philippines (103,700 MT), Japan (52,400 MT), and Vietnam (29,900 MT).

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Market News and Trends This Week—continued

Wheat Outlook Report—In their **October 15 USDA Wheat Outlook Report**, the USDA Economic Research Service predicted global wheat supplies to tighten on production cuts for Australia and Russia. This month, 2018/19 all-wheat production for Australia and Russia is collectively lowered by 2.5 million metric tons. These cuts more than offset a slight production increase for the U.S. and help to tighten the global all-wheat balance sheet. At 260.2 million metric tons, global ending stocks are now 5 percent below last year's record-large carryout. Growing global use, fueled by expanding demand for wheat, contributes to balance sheet tightness and provides support for maintenance of the U.S. export figure at 27.9 million metric tons (1,025 million bushels), despite sluggish first quarter exports.

CORN—USDA reported net export sales of 382,500 MT for 2018/2019--a marketing-year low- down 62 percent from the previous week and 72 percent from the prior 4-week average. Increases were reported for Mexico (162,500 MT, including decreases of 61,200 MT), Colombia (133,000 MT, including 119,500 MT switched from unknown destinations and decreases of 2,700 MT), Japan (119,600 MT, including 68,200 MT switched from unknown destinations and decreases of 8,600 MT), Guatemala (73,300 MT), and South Korea (68,100 MT, including 65,000 MT switched from unknown destinations). Reductions were reported for unknown destinations (326,500 MT), the Dominican Republic (18,000 MT), and Chile (1,500 MT). Exports of 1,100,400 MT were primarily to Mexico (452,100 MT), Japan (147,700 MT), Colombia (126,300 MT), Egypt (111,200 MT), and South Korea (68,300 MT).

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending October 12 averaged 1.011 million bbls/day – down 2.79% from the previous week and down 0.79% over last year. Total ethanol production for the week came in at 7.077 million barrels. Ethanol stocks were 24.13 million bbls on October 12, up 0.45% from last week and up 12.34% from last year. An estimated 105.02 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 642.44 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 continued to slide this week with much lower than expected export sales, although exports were up from the previous week, as well as robust wheat stocks on hand.

Wheat futures prices finished down across the board with \$0.03½ to \$0.11 per bu decreases for the week. Wheat futures settlement prices (per bu) for Thursday, 10/18/2018:

	Dec 2018	Week Change	Mar 2019	Week Change	May 2019	Week Change	July 2019	Week Change
CHI SRW	\$5.13	-\$0.04¼	\$5.33½	-\$0.04	\$5.45¾	-\$0.03½	\$5.51¾	-\$0.03¾
KC HRW	\$5.14¾	-\$0.09½	\$5.39	-\$0.09¼	\$5.52¼	-\$0.08¼	\$5.57¾	-\$0.09½
MGE DNS	\$5.85	-\$0.11	\$5.95	-\$0.07¼	\$6.01½	-\$0.06¾	\$6.08	-\$0.06

CORN FUTURES—Although starting the week strong after last week's mostly positive WASDE report, corn futures turned down mid-week and continued weakening on disappointing export figures this week.

December 2018 contract closed Thursday at \$3.70¾ down \$0.03 for the week, March 2019 contract closed at \$3.83 down \$0.02¾, May 2019 contract closed at \$3.90¼, down \$0.02½ over the previous week, and July 2019 closed at \$3.95¾, down \$0.02 for the week.

CRUDE OIL FUTURES—With U.S. stockpiles significantly higher than expected, U.S. West Texas Intermediate and international-benchmark Brent crude oil futures continued to drop Thursday after a Wednesday sell off—driving U.S. crude to its lowest level since September 19. Inventories rose sharply even as U.S. crude production fell 300,000 bpd to 10.9 million bpd last week. Analysts said the drop was due to the effects of offshore facilities closing temporarily for Hurricane Michael. While oil prices are under pressure, losses are being limited by rumors the United States may be pressured to go ahead with sanctions on Saudi Arabia possibly pushing prices higher if the Saudi's decide to retaliate the move with a supply cut. In other news, Saudi Arabia and Kuwait are expected to struggle to resume oil production from jointly operated fields that produced some 500,000 bpd any time soon due to operational and political differences.

EIA reported U.S. crude oil refinery inputs averaged 16.3 million bbls/day during the week ending October 12, 77,000 bbls/day more than last week's average. Refineries operated at 88.8% of capacity last week. There was an increase in Crude Oil stocks of 6.49 million bbls over last week to 416.44 million bbls, over the 5-year average of 413.39 million bbls. Distillate stocks decreased by 0.83 million bbls to a total of 132.64 million bbls, under the 5-year average of 137.33 bbls; while gasoline stocks decreased by 2.02 million bbls to 234.16 million bbls, over the 217.99 million bbl 5-year average. The national average retail regular gasoline price was \$2.879 per gallon on October 15, 2018, \$0.024 lower than last week's price and \$0.390 over a year ago. The national average retail diesel fuel price was \$3.394 per gallon, \$0.009 per gallon above last week's level and \$0.607 over a year ago. **Crude Oil Futures finished down for the week to close at \$68.65/bbl on Thursday, October 18, 2018 (November contract), \$2.32/bbl below last week.**

USDA Crop Progress / Condition Report, October 15, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Barley		<i>Not reported this week.</i>			<i>Not reported this week.</i>		
ID Barley		<i>Not reported this week.</i>			<i>Not reported this week.</i>		
US Winter Wheat Emerged	44%	30%	35%	41%	<i>Not reported this week.</i>		
ID Winter Wheat Emerged	48%	35%	48%	46%	<i>Not reported this week.</i>		
US Winter Wheat Planted	65%	57%	58%	67%	<i>Not reported this week.</i>		
ID Winter Wheat Planted	84%	67%	89%	83%	<i>Not reported this week.</i>		
Corn	39% Harvested	34% Harvested	27% Harvested	35% Harvested	68%	68%	65%
	96% Mature	93% Mature	89% Mature	91% Mature			

USDA U.S. Crop Weather Highlights—October 18, 2018

West—Mostly dry weather prevails, though warm weather in the Northwest contrasts with chilly conditions in the southern Rockies. Emerging Northwestern winter grains are benefiting from above-normal temperatures, but more precipitation is needed to ensure proper crop establishment.

Plains—Warm weather is temporarily returning to Montana, Nebraska, and the Dakotas, promoting winter wheat emergence and establishment. However, cool, showery weather lingers across the southern Plains. Lowland flooding persists in central Texas and environs, although heavy rain has tapered to showers.

Corn Belt—Widespread frost and freezes occurred early today east of the Mississippi River. Despite the return of dry weather, harvest delays persist in some areas due to excessively wet fields. In addition, producers in the northern and western Corn Belt are monitoring unharvested soybeans for signs of quality degradation, following drenching rains, early-season snow, and multiple freezes.

South—Wet weather continues in the western Gulf Coast region. Elsewhere, warm, dry weather prevails in hurricane recovery areas of the lower Southeast, while scattered frost was noted early today in Kentucky.

Outlook for U.S. Mainland—Late-season warmth will expand across the West, except for lingering cool weather in the southern Rockies. Cool weather in the Midwest and Northeast will intensify during the weekend. In Texas and portions of neighboring states, rain could lead to additional fieldwork delays and flooding. Five-day rainfall totals could reach 1 to 3 inches in the south-central U.S., with higher totals possible in southern Texas. Many other areas of the country will receive light showers, but no precipitation can be expected into early next week from the Pacific Coast States to the northwestern half of the Plains. The NWS 6- to 10-day outlook for October 23-27 calls for below-normal temps across much of the eastern U.S., while warmer-than-normal weather will prevail in Florida, the northern Plains, and the West.

USDA International Crop Weather Highlights—October 16, 2018

EUROPE—Rain eased drought concerns for winter crop establishment in France and Spain. Dry, very warm weather elsewhere maintained or exacerbated drought in Germany and Poland and further reduced topsoil moisture for winter crop planting and establishment in the Balkans.

MIDDLE EAST—Widespread showers in Turkey eased drought concerns for winter grain planting on the Anatolian Plateau but slowed summer crop harvesting in southern and eastern portions of the country. Showers conditioned soils for upcoming winter grain planting in Syria and Iran.

FSU—After recent rain, sunny skies in Ukraine and western Russia promoted winter wheat establishment. Dry, warm weather promoted spring grain harvesting in Kazakhstan and central Russia before rain and snow arrived by week's end. Cold, rainy conditions impeded cotton harvesting in Uzbekistan and environs.

ASIA—Summer monsoon showers continued to withdraw at a near-normal pace across India, with drier conditions promoting summer crop maturation and harvesting. Seasonably dry weather in eastern China aided summer crop harvesting as well as the start of wheat and oilseed planting.

AUSTRALIA—In the east, rain aided summer crop sowing and germination but came much too late to benefit wheat. Showers helped stabilize winter crop prospects in the southeast, but yield prospects remained subpar. In the west, showers maintained generally good yield prospects for immature winter grains and oilseeds.

SOUTH AMERICA—Showers maintained adequate to abundant moisture for germination of Brazilian soybeans. Generally warm conditions spurred growth of winter grains and early-sown summer crops in Argentina.

MEXICO—Tropical Storm Sergio brought locally heavy rain to northwestern watersheds.

**National Weather Service Climate Prediction Center
 Three-Month Outlook of Temperature and Precipitation Probability, October 18, 2018
 For the Months of November and December 2018 and January 2019**

