Idaho Grain Market Report, November 2, 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, October 31, 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		4.45-4.55	4.93	5.31	5.00-5.23
Idaho Falls		8.30-8.33	4.30	4.80	5.25	5.25
Blackfoot / Pocatello	3.00	7.06	4.30	4.80	5.25	5.25
Grace / Soda Springs	6.50		4.37	4.62	5.38	5.17
Burley / Rupert	6.25		4.55	4.52	5.08	5.12
Twin Falls / Buhl Jerome / Wendell	5.00-6.50		4.35-4.45	4.55	5.35	5.05
Nampa / Weiser			4.75			
Nezperce / Craigmont	5.21		5.32	5.61	5.96	
Lewiston	5.73		5.58	5.87	6.22	
Moscow / Genesee	5.24-5.43		5.35-5.47	5.64-5.76	5.99-6.17	5.76

Prices at Selected Terminal Markets, cash FOB

Wednesday, October 31, 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			6.10-6.22	6.22-6.41	6.67-6.92	
Ogden	7.30		4.69	4.92	5.68	5.47
Great Falls	5.85-6.50	7.75-8.05		5.25-5.32	5.51-5.64	
Minneapolis	2.60			5.81	6.97	

Market News and Trends This Week

BARLEY—Local feed barley prices and open market malt barley prices remained unchanged this week at elevators around the state. USDA reported net export sales reductions for Japan (100 MT) for 2018/2019--a marketing-year low--down noticeably from the previous week and from the prior 4-week average. Exports of 600 MT were primarily to Japan (400 MT).

Barley Competitor News—Winter barley planting is ongoing in Europe with most of the of planting complete. Scandinavia and UK have good moisture for planting whereas France, Germany, and other countries nearby have dry soil that is hindering sowing. RMI suggests that winter barley plantings could be 0.5m Ha higher than last year. EU barley production for 2018 is estimated at 56.9mmt, according to the EU Commission (last year production was 59mmt). Russian barley production estimates have been increased by IKAR to 16.8mmt compared to 20.6mmt last year. Ukraine has planted over 75 percent of their winter barley.

WHEAT—Local cash wheat prices were somewhat mixed but overall saw some rebounding from last week at Idaho elevators. SWW prices ranged from $0.02 to $0.11 higher than a week ago; HRW prices were $0.10 lower to $0.23 higher; DNS prices ranged from $0.22 lower to $0.08 higher; and HWW prices were $0.10 lower to $0.12 lower. USDA reported net export sales of 582,500 metric tons for 2018/2019, up 32 percent from the previous week and 41 percent from the prior 4-week average. Increases were reported for Japan (120,700 MT), Bangladesh (60,000 MT), Vietnam (60,000 MT), Venezuela (60,000 MT), and Egypt (50,000 MT). Exports of 413,800 MT were up 3 percent from the previous week, but down 1 percent from the prior 4-week average. The destinations were primarily to Japan (103,500 MT), South Korea (53,000 MT), the Philippines (42,800 MT), Mexico (38,600 MT), and Nigeria (36,200 MT).

Published by the Idaho Barley Commission weekly on Thursday or Friday except for weeks with major holidays including New Year's, Fourth of July, Thanksgiving and Christmas. 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. Any use of this information is at your own discretion and risk. Editor: Laura Wilder, Administrator, Idaho Barley Commission, lwilder@barley.idaho.gov.

Market News and Trends This Week—continued

Transportation Trends Affecting Grains—According to World Grain, shortages of truck drivers and railroad workers continue to plague the transportation industry and contribute to soaring freight costs for shippers. Fuel prices are up, trade wars have complicated export movement, and harvest of huge corn and soybean crops is underway. In a nutshell, so far in 2018, rail grain carloads have been strong with secondary rail freight rates up from a year ago, barge grain movement has been down from a year ago but above the three-year average with barge freight rates up, bulk grain ocean freight rates have increased and diesel fuel prices are up 19% from a year ago, which has boosted truck and rail fuel surcharges. For the trucking industry, the mandate for the vast majority of trucks to use electronic logging devices (in place of paper "log books") on Dec. 18, 2017, which was fully implemented as of April 1, 2018, brought to light the simmering problem of a truck driver shortage. While most of the initial chaos caused by ELDs has subsided, the focus on truck freight availability and costs continues.

CORN—USDA reported net export sales of 394,400 MT for 2018/2019, up 13 percent from the previous week, but down 50 percent from the prior 4-week average. Increases were reported for Mexico (192,200 MT, including decreases of 9,700 MT), Colombia (97,100 MT, including decreases of 200 MT), Peru (63,400 MT, including 50,000 MT switched from unknown destinations), Japan (55,800 MT, including 15,100 MT switched from unknown destinations and decreases of 67,700 MT), and Costa Rica (46,400 MT). Reductions were reported for Vietnam (66,000 MT), South Korea (62,800 MT), and Guatemala (10,100 MT). For 2019/2020, total net sales were reported for Colombia (5,000 MT). Exports of 755,000 MT were primarily to Mexico (309,500 MT), Japan (132,500 MT), Peru (86,400 MT), South Korea (73,800 MT), and Colombia (36,800 MT).

Ethanol corn usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending October 26 averaged 1.059 million bbls/day – up 3.42% from the previous week and up 0.28% over last year. Total ethanol production for the week came in at 7.413 million barrels. Ethanol stocks were 22.746 million bbls on October 26, down 4.82% from last week and up 5.92% from last year. An estimated 110.24 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 859.24 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 posted gains on Thursday, getting a lift from the sharply lower dollar and better than expected export sales moving prices in a more positive direction overall.
Wheat futures prices finished at a range of $0.03 per bu lower to $0.02¾ higher for the week. Wheat futures settlement prices (per bu) for Thursday, 11/01/2018:

	Dec 2018	Week Change	Mar 2019	Week Change	May 2019	Week Change	July 2019	Week Change
CHI SRW	**$5.08**	**$2.75**	**$5.22¾**	**-$0.01½**	**$5.34¼**	**-$0.02½**	**$5.40½**	**-$0.03**
KC HRW	**$5.01½**	**$0.01**	**$5.25½**	**-$0.01¼**	**$5.39½**	**-$0.00¾**	**$5.47**	**-$0.02**
MGE DNS	**$5.76¾**	**-$0.01**	**$5.85¾**	**-$0.00¼**	**$5.93¾**	**-$0.00¼**	**$6.01**	**-$0.00¾**

CORN FUTURES—Corn futures turned higher on Thursday on optimism over positive discussions for the US-China trade issues moving along nicely according to a tweet from President Trump although weak export data Thursday morning kept things low overall.
December 2018 contract closed Thursday at $3.66¾ down $0.01 for the week, March 2019 contract closed at $3.78¾ down $0.01¼, May 2019 contract closed at $3.86¾, down $0.01¼ over the previous week, and July 2019 closed at $3.92¾, down $0.01 for the week.

CRUDE OIL FUTURES—U.S. West Texas Intermediate crude oil futures are under pressure on as investors react to the start of the sanctions against Iran. As recently as October 3, sentiment was bullish as investors expected the sanctions to cause a supply shortage, however, this thinking changed when the United States, Saudi Arabia and Russia decided to ramp production high enough to reach one-third of daily global demand. Additional pressure was put on prices after the United States announced it was giving exemptions from the sanctions to eight countries or "territories". This brought additional supply into the market. Despite technically oversold conditions, crude oil is likely to continue to remain under pressure until the market reaches a value area or the U.S. lifts the exemptions.

EIA reported U.S. crude oil refinery inputs averaged 16.4 million bbls/day during the week ending October 26, 149,000 bbls/day more than last week's average. Refineries operated at 89.4% of capacity last week. There was an increase in Crude Oil stocks of 3.22 million bbls over last week to 426 million bbls, over the 5-year average of 418.65 million bbls. Distillate stocks decreased by 4.05 million bbls to a total of 126.32 million bbls, under the 5-year average of 131.54 bbls; while gasoline stocks decreased by 3.16 million bbls to 226.17 million bbls, over the 212.76 million bbl 5-year average. The national average retail regular gasoline price was $2.811 per gallon on October 29, 2018, $0.030 lower than last week's price but up $0.323 over a year ago. The national average retail diesel fuel price was $3.355 per gallon, $0.025 per gallon below last week's level but up $0.536 over a year ago.
Crude Oil Futures finished down for the week to close at $67.33/bbl on Thursday, October 25, 2018 (December contract), $1.32/bbl below last week.

USDA Crop Progress / Condition Report, October 29, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/ Excellent	Previous Week	Previous Year
US Barley		*Not reported this week.*			*Not reported this week.*		
ID Barley		*Not reported this week.*			*Not reported this week.*		
US Winter Wheat Emerged	77%	61%	79%	74%	52%	NA	53%
ID Winter Wheat Emerged	**63%**	**53%**	**63%**	**67%**	**59%**	NA	NA
US Winter Wheat Planted	78%	72%	83%	85%	*Not reported this week.*		
ID Winter Wheat Planted	**98%**	**95%**	**99%**	**96%**	*Not reported this week.*		
Corn	63% Harvested	49% Harvested	52% Harvested	63% Harvested	NA	68%	NA

USDA U.S. Crop Weather Highlights—November 2, 2018

West—Showers from the Pacific Northwest to the northern Rockies continue to boost topsoil moisture. Elsewhere, warm, dry weather favors autumn fieldwork in California, the Great Basin, and much of the Southwest.

Plains—Dry weather prevails across the central and southern sections of the region, although some delays in summer crop harvesting and winter wheat planting persist due to wet fields. Meanwhile, rain is developing across the northern High Plains in advance of an approaching storm system.

Corn Belt—Some rain showers developing across the upper Midwest from a weak disturbance. Farther east, rain lingers across the lower Great Lakes region, while fieldwork remains stalled across the Ohio Valley due to Wednesday's heavy rainfall.

South—Rain showers have shifted eastward into the Atlantic Coast States. Cool but dry weather prevails in the Mississippi Delta and environs, following mid-week downpours.

Outlook for U.S. Mainland—A low-pressure system over the eastern U.S. will reach New England by late Saturday. However, a trailing system will produce some late-week snow in the north-central U.S., followed by another round of rain early next week from the Mississippi Valley to the East Coast. Meanwhile, showers—including high-elevation snow— will continue from the Pacific Northwest to the northern and central Rockies. In contrast, dry weather will prevail during the next 5 days from California to the southern High Plains. During the weekend, warm, dry, breezy conditions in northern California could lead to a heightened risk of wildfire ignition. The NWS 6- to 10-day outlook for November 7 – 11 calls for the likelihood of cooler- and wetter-than-normal weather across much of the country. Above-normal temperatures will be limited to California and the Atlantic Seaboard, while below-normal precipitation should be mostly restricted to California and the Great Basin.

USDA International Crop Weather Highlights—October 30, 2018

EUROPE—Rain eased drought and improved soil moisture for winter crop establishment in Germany and Poland, but long-term deficits lingered. Rain arrived later in the period in France. Showers slowed fieldwork but benefited winter crop establishment in Spain, Italy, and the Balkans.

MIDDLE EAST—Soaking rainfall boosted moisture reserves for winter grain planting and establishment in Turkey, Syria, Iraq, and western Iran.

FSU—Widespread showers in Ukraine and western Russia favored winter wheat establishment. Sunny, warm weather benefited late spring wheat harvesting in Kazakhstan and central Russia. Warm, dry weather promoted cotton harvesting in Uzbekistan and environs.

ASIA—Seasonably dry weather across India supported summer (kharif) crop harvesting as well as the initial stages of winter (rabi) crop sowing. Dry weather in eastern China aided wheat and rapeseed planting. Showers in southern China benefited sugarcane and winter vegetable establishment.

AUSTRALIA—Showers in the northeast further increased local moisture supplies for recently-sown summer crops. Warm, mostly dry weather in the west and southeast promoted wheat, barley, and canola maturation and aided early harvesting.

SOUTH AMERICA—Much-needed rain fell in Argentina's western summer grain and oilseed areas. In Brazil, showers maintained overall favorable conditions for soybeans and other summer crops.

MEXICO—Hurricane Willa struck the west coast as a dangerous category 3 Storm (sustained winds of 128 knots or higher). Storm remnants brought unseasonable rain to northern watersheds.