

Idaho Grain Market Report, November 16, 2018—NEW CROP PRICES

Published weekly by the Idaho Barley Commission

lwilder@barley.idaho.gov

208-334-2090

www.barley.idaho.gov



Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, November 14, 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	6.25		4.61	4.86	5.21	5.47
Idaho Falls		8.30-8.33	4.50	4.80	5.35	5.20
Blackfoot / Pocatello		7.06	4.50	4.80	5.35	5.20
Grace / Soda Springs	6.50		4.52	4.63	5.38	5.18
Burley / Rupert	6.25		4.62	4.58	5.06	5.08
Twin Falls / Buhl Jerome / Wendell	5.00-6.50		4.45-4.55	4.50	5.40	5.00
Nampa / Weiser			4.78			
Nezperce / Craigmont	5.21		5.28	5.50	5.99	
Lewiston	5.73		5.54	5.76	6.25	
Moscow / Genesee	5.24-5.43		5.31-5.40	5.53-5.67	6.02-6.17	5.67

Prices at Selected Terminal Markets, cash FOB

Wednesday, November 14, 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			6.20-6.35	6.15-6.38	6.79-6.89	
Ogden	7.30		4.80	4.90	5.73	5.50
Great Falls	5.85-6.50	8.05-8.25		5.00-5.25	5.61-5.70	
Minneapolis	2.60			5.61	7.16	

Market News and Trends This Week

BARLEY—Local feed barley prices were mostly steady but dipped to \$0.25 lower in one location at Idaho elevators this week, while open market malt barley prices remained unchanged. USDA reported No net sales reported for November 2-8. Exports of 300 MT were primarily to Taiwan.

Barley Trends and Competitor News—Canada's barley acres for 2018-19 increased by 13% from last year's record low level of 2.334 mln ha, according to Agriculture and Agri-Food Canada. Canadian production is estimated to increase to 8.2 million tonnes due to the higher harvested area, despite a below-average total yield. With higher production and sharply lower carry-in stocks, their total supply is forecast to decrease by 5% to 9.5 mln tonnes. In addition, total Canadian domestic use is forecast to increase by 3% to 6.148 mln tonnes due to slightly higher feed, while industrial use and exports are forecast to decrease by 17% to 2.4 mln tonnes due to lower total supplies. In news from the recent Grain World Conference in Winnipeg, industry reps reported that North America is seeing an explosion in the craft beer sector, and while craft beer still only represents a small portion of the total beer sold in North America, the beer uses three to four times more malt per unit. The rising North American craft beer sector and strong demand out of China are both good news for the malt barley sector, however craft malt customers have different needs which can create some challenges. Also, China, the world's largest beer maker, is seeing a shift from low quality beer to higher quality beer, necessitating a shift to higher quality barley.

WHEAT—Local cash wheat prices trended down overall at Idaho's this week. SWW prices ranged from \$0.08 lower to \$0.05 higher than a week ago; HRW prices were \$0.08 to \$0.26 lower; DNS prices ranged from \$0.06 to \$0.29 lower; and HWW prices were \$0.25 lower to \$0.09 higher.

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

Wheat Outlook and Exports—USDA’s November Wheat Outlook raised global wheat production for 2018/19 by 2.6 million tons. Newly released data from China’s National Bureau of Statistics indicates higher harvested area, yields, and production for the current marketing year, as well as significant production revisions going back to 2007/08 through 2017/18 crops. For 2018/19, gains in projected wheat production in China are partially offset by reductions in Australia, down 1 million tons to 17.5 million, and smaller reductions in Morocco, Pakistan, and Ukraine. Global ending stocks are raised by 6.5 million tons, attributed to increased stocks for China. Stocks outside of China are lowered 0.9 million tons from October. USDA reported net export sales of 438,300 metric tons for 2018/2019, down 34 percent from the previous week and 18 percent from the prior 4-week average. Increases were reported for Bangladesh (120,000 MT), Taiwan (65,300 MT), Japan (60,900 MT), South Korea (52,200 MT), and Mexico (44,700 MT). Reductions were reported for Venezuela (60,000 MT) and the Leeward and Windward Islands (2,000 MT). Exports of 263,000 MT--a marketing-year low--were down 20 percent from the previous week and 35 percent from the prior 4-week average. The destinations were primarily to the Philippines (94,900 MT), Iraq (52,100 MT), Japan (30,700 MT), Brazil (25,000 MT), and Chile (17,800 MT).

CORN—USDA reported net export sales of 892,500 MT for 2018/2019, up 27 percent from previous week and 95 percent from the prior 4-week average. Increases were for Mexico (334,800 MT), Japan (207,200 MT), Saudi Arabia (145,300 MT), the Dominican Republic (142,500 MT), and Peru (78,000 MT). For 2019/2020, total net sales were reported for Japan (1,400 MT). Exports of 1,113,000 MT were down 18 percent from the previous week, but up 1 percent from the prior 4-week average. The destinations were primarily to Mexico (337,900 MT), South Korea (192,400 MT), Japan (160,800 MT), Saudi Arabia (145,300 MT), and Colombia (90,100 MT).

Ethanol corn usage—DOE’s Energy Information Agency (EIA) reported ethanol production for the week ending November 9 averaged 1.067 million bbls/day – down 0.09% from the previous week and up 1.23% over last year. Total ethanol production for the week came in at 7.469 million barrels. Ethanol stocks were 23.514 million bbls on November 9, up 1.57% from last week and up 9.38% from last year. An estimated 111.08 million bu of corn was used in last week’s production bringing this crop year’s cumulative corn usage for ethanol production at 108.484 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 were mixed this week with CHI SRW futures gaining ground and KC HRW and MGE DNS futures mostly trending down.

Wheat futures prices finished at a range of \$0.07½ lower to \$0.05¾ per bu higher for the week.

Wheat futures settlement prices (per bu) for Thursday, 11/15/2018:

	Dec 2018	Week Change	Mar 2019	Week Change	May 2019	Week Change	July 2019	Week Change
CHI SRW	\$5.05½	\$0.03	\$5.14¾	\$0.02½	\$5.23	\$0.03½	\$5.31¾	\$0.05¾
KC HRW	\$4.80	-\$0.07½	\$5.03¼	-\$0.06	\$5.15½	-\$0.07¼	\$5.27¼	-\$0.06¼
MGE DNS	\$5.74¾	\$0.01½	\$5.75	-\$0.02	\$5.82½	-\$0.02	\$5.90½	-\$0.01½

CORN FUTURES—Corn futures slid across the board for the week. The market struggled on weak export sales. As of November 8, cumulative corn sales are only 37.6% of the USDA forecast for the 2018/19 (current) marketing year compared to a 5-year average of 40.4%. Sales of 902,000 tonnes are needed each week to meet the USDA forecast compared to export sales of 893,900 tonnes for the current week.

December 2018 contract closed Thursday at \$3.67½ down \$0.02¼ for the week, March 2019 contract closed at \$3.78¼ down \$0.03, May 2019 contract closed at \$3.85¾, down \$0.03½ over the previous week, and July 2019 closed at \$3.92½, down \$0.03½ for the week.

CRUDE OIL FUTURES—U.S. West Texas Intermediate and international-benchmark Brent crude oil futures crept higher on Thursday, following a modest gain on Wednesday, trying to regain some of the week’s overall drop in price. This indicates the selling pressure may be slowing especially since the markets failed to react to potentially bearish news from the American Petroleum Institute’s weekly inventories report. The reality is that supply is high and demand is starting to weaken, coupled with ample stocks on hand in the U.S. and globally. It looks like things are far from turning the trend to up except for some possible short-term, short-covering rallies.

EIA reported U.S. crude oil refinery inputs averaged 16.4 million bbls/day during the week ending November 9, 24,000 bbls/day more than last week’s average. Refineries operated at 90.1% of capacity last week. There was an increase in Crude Oil stocks of 10.27 million bbls over last week to 442.057 million bbls, over the 5-year average of 422.425 million bbls. Distillate stocks decreased by 3.589 million bbls to a total of 119.268 million bbls, under the 5-year average of 128.266 bbls; while gasoline stocks decreased by 1.411 million bbls to 226.61 million bbls, over the 211.969 million bbl 5-year average. The national average retail regular gasoline price was \$2.686 per gallon on November 9, 2018, \$0.067 lower than last week’s price but up \$0.094 over a year ago. The national average retail diesel fuel price was \$3.317 per gallon, \$0.021 per gallon below last week’s level but up \$0.402 over a year ago.

Crude Oil Futures finished down for the week to close at \$56.46/bbl on Thursday, November 15, 2018 (December contract), \$3.73/bbl below last week.

USDA Crop Progress / Condition Report, November 13, 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	77%	70%	83%	83%	54%	51%	54%
ID Winter Wheat Emerged	90%	88%	93%	90%	65%	64%	NA
US Winter Wheat Planted	89%	84%	94%	94%	<i>Not reported this week.</i>		
ID Winter Wheat Planted	100%	99%	100%	99%	<i>Not reported this week.</i>		
Corn	84% Harvested	76% Harvested	81% Harvested	87% Harvested	NA	NA	NA

USDA U.S. Crop Weather Highlights—November 16, 2018

West—Search and recovery efforts continue in wildfire-ravaged areas of California under a warm, dry weather regime. Above-normal temperatures also cover much of the remainder of the West, favoring autumn fieldwork, although cold, snowy conditions are affecting portions of the northern Rockies.

Plains—Precipitation (rain and snow) is developing across parts of Montana in advance of a cold front. Elsewhere, a brief return of mild weather favors late-autumn fieldwork, as conditions permit.

Corn Belt—Snow remains on the ground—following Thursday’s storm—from the middle Mississippi Valley into the Ohio Valley and the lower Great Lakes region, further delaying late-season soft red winter wheat planting efforts. In the upper Midwest, excessive soil moisture and partially frozen soils—are hampering completion of corn and soybean harvest.

South—Freeze warnings were in effect Friday across the lower Southeast, including Alabama, Georgia, and western Florida. In many areas, wet soils remain a hindrance to fieldwork, including winter wheat planting and cotton, peanut, and soybean harvesting.

Outlook for U.S. Mainland—Rain and snow linger in the Northeast, while some significant snow is falling across the northern Rockies and portions of the northern Plains and upper Midwest. Cold air is engulfing the Plains and Midwest. Late-season warmth continues west of the Rockies. Rain is developing in the western Gulf Coast region. Most of the remainder of the country will remain dry during the next few days. The NWS outlook for November 21 – 25 calls for near-to below-normal temperatures in most areas east of the Mississippi River, while warmer-than-normal weather will prevail across southern Florida and the western and central U.S. Below-normal precipitation in the East and the northwestern half of the Plains should contrast with wetter-than-normal conditions in California, the Great Basin, and the southern tip of Florida, and from the western Gulf Coast region into the mid-South.

USDA International Crop Weather Highlights—November 13, 2018

EUROPE—Additional rain eased drought for winter wheat and rapeseed establishment in France and boosted moisture supplies for winter crops in Spain and England. Warm weather promoted winter wheat and rapeseed establishment from Poland into the Balkans, though drought concerns lingered in Germany and much of southeastern Europe.

MIDDLE EAST—Heavy rain returned to Syria, Iraq, and western Iran, boosting moisture reserves for winter grain planting and establishment but curtailing fieldwork and likely causing localized flooding. Sunny, warm weather engendered winter grain planting and establishment in Turkey.

FSU—Sunny, warm conditions favored winter wheat establishment in Ukraine and southwestern Russia.

ASIA—Seasonably warm, dry weather promoted winter (rabi) crop sowing across India, although limited moisture reserves discouraged planting in some areas. Rainfall in Sri Lanka aided winter (yala) rice establishment. Widespread showers in eastern China promoted wheat and rapeseed establishment and boosted moisture reserves.

AUSTRALIA—Widespread showers in the east likely delayed local winter crop harvesting but provided a welcome boost in topsoil moisture for cotton, sorghum, and other recently-sown summer crops. Mostly dry weather in the south and west favored wheat, barley, and canola maturation and harvesting.

SOUTH AMERICA—Heavy rain benefited soybeans and cotton in Brazil’s Center-West and northeastern interior. Scattered showers maintained favorable corn and soybean prospects in Argentina.

SOUTH AFRICA—Light rain continued in eastern sections of the corn belt but drier weather prevailed elsewhere.

NORTHWEST AFRICA—Abundant early-season rainfall since the end of September across Morocco, Algeria, and Tunisia has boosted soil moisture reserves for winter grain planting and establishment.