

Idaho Grain Market Report, December 10, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 9, 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	\$5.25-6.00		\$4.84-5.25	\$4.18	\$5.14	\$4.88-4.90
Idaho Falls	\$6.00	\$9.30 - \$9.38	\$5.05-5.10	\$4.51-4.55	\$5.06-5.14	\$4.78 - 5.00
Blackfoot / Pocatello	NQ	\$9.00	\$5.05	\$4.55	\$5.06	\$5.00
Grace / Soda Springs	\$6.60		\$4.95	\$4.11	\$5.10	\$4.76
Burley / Rupert	\$6.00-6.50	\$9.38	\$4.95	\$4.02	\$4.95	\$4.67
Hazelton						
Twin Falls / Buhl / Wendell	\$6.40-6.75		\$4.85	NQ	NQ	
			Feed wheat			
			\$4.00			
Nampa – Weiser	\$6.99		\$5.75			
Nez Perce / Craigmont	\$5.50		\$4.67	\$4.86	\$5.56	
Lewiston	\$6.00		\$4.93	\$5.12	\$5.82	
Moscow / Genesee	\$5.50-6.00		\$4.70-4.82	\$4.89-5.08	\$5.59-5.83	\$5.13

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 \$4.89 ³ / ₄ - 5.34 max 10.5% pro \$6.69 ³ / ₄ - 6.80	\$5.60 ¹ / ₂ – 5.75 ¹ / ₂	\$6.34 ³ / ₄ - 6.54 ³ / ₄	
Los Angeles	\$9.60-9.90			NQ (12%)		
Tulare	\$9.60-9.90					
Ogden	\$7.00		\$5.35	\$4.45	\$5.50	\$5.20
Great Falls	\$5.25-5.75	\$10.00		\$4.44-4.63 (12%)	\$5.00-5.18	
Minneapolis	\$5.42	NQ		\$5.55 ¹ / ₂	\$5.99 ³ / ₄ - 6.24 ³ / ₄	

Market trends this week

BARLEY – Idaho feed barley prices were steady to 85 cents higher, but mostly 10-25 cents higher from last week. Open market malting barley prices remained steady. USDA reported there were no barley export sales last week while shipments totaled 100 MT to South Korea.

USDA's BARLEY S&D Projections for MY 2015/16- Dec. 9, 2015– USDA made no changes to their domestic barley balance sheet this month. World barley production was increased by 350 TMT this month due to bigger Canadian production and world ending stocks were pegged slightly lower this month at 23.6 MMT, which is down 2% from last year.

Barley Competitor/Buyer News – Stats Canada raised their Canadian barley production estimate to 8.225 MMT, from an earlier estimate of 7.6 MMT. USDA lowered their Australian barley production estimate modestly this month by 200 TMT to 8.7 MMT, which is still about 9% higher than the previous year.

WHEAT – Idaho wheat prices were higher this week...SWW prices were 11 to 42 cents higher; HRW prices were 6 to 30 cents higher; and DNS prices were steady to 6 cents higher. USDA reported wheat export sales last week were below

trade expectations at 225.1 TMT, down 43% from the previous week and 45% from the 4-week average. Wheat export shipments also were disappointing at 215 TMT, down 46% from the previous week and 31% from the 4-week average.

USDA's WHEAT S&D Projections for MY 2015/16 – Dec. 9, 2015 – Wheat S&D estimates were neutral against trade expectations this month, as USDA made no changes to the domestic wheat balance sheet. World wheat production was increased by 1 MMT this month to a record 734.9 MMT, to account for higher Canadian production. **World wheat ending stocks were increased by 2.56 MMT this month to 229.9 MMT, up 8% from last year.**

Wheat competitor / buyer news – Argentina installed a new president today – center-right candidate Mauricio Marci, former mayor of the city of Buenos Aires – who promised during his campaign to immediately eliminate wheat export quotas and taxes. However there was market chatter that these aggressive steps to make Argentina more competitive in world grain markets might not happen as quickly as he promised. USDA left their Australian wheat production estimate unchanged this month at 26 MMT, compared to ABARE's estimate last week of 23.98 MMT. Stats Canada raised their 2015 wheat production estimate to 27.6 MMT, which was above trade expectations and up 30% from the previous year. India reports that due to dry conditions they have only planted 11.7 million ha of wheat, compared to 16.2 million ha for the same period a year ago. Planting can continue through December but they are projecting wheat acreage will decline 8-9% due to adverse weather conditions at planting and may need to import wheat later this marketing year.

CORN – USDA reported corn export sales last week were well above trade expectations at 1.095 MMT, up noticeably from the previous week and 11% above the 4-week average. Corn export shipments last week also were solid at 549.8 TMT, up 47% from the previous week and 41% from the 4-week average.

USDA's CORN S&D Projections for MY 2015/16 – Dec. 9, 2015 - Corn S&D estimates are considered mostly neutral against trade expectations... USDA made only minor tweaks to the domestic corn balance sheet. They cut exports by 50 million bu to 1.75 billion bu and raised ethanol production by 25 million bu to 5.2 billion bu, resulting in a 25 million bu increase in ending stocks to 1.785 billion bu. **This was 17 million bu ABOVE the the average pre-report trade estimate of 1.768 billion bu.** World corn production was cut by 1 MMT this month to 973.9 MMT, which is down 4% from last year. **World corn ending stocks were left unchanged at 211.9 MMT, which is up 2% from a year ago.**

Ethanol corn usage – DOE's Energy Information Agency reported a strong rebound in weekly ethanol production – up 37,000 bbls per day or 3.9% from the previous week (second biggest weekly gain in history) to 993,000 bbls, which is up 0.8% from the previous year. U.S. ethanol stocks have stabilized at 19.8 million bbls, which is up nearly 12% from the previous year. Corn used to produce ethanol last week totaled 104.3 million bu, above the weekly pace needed to reach USDA's projection for MY 2015/16 which USDA revised 25 million bu higher on Wednesday to 5.2 billion bu.

Corn competitor / buyer news – Argentine President Macri took office today and there are already reports that he may not be able to move quickly, as promised during the campaign, to eliminate corn export quotas and the 20% corn export tax. Traders will be watching anxiously to see what market liberalization steps are taken that might pave the way for a considerable amount of Argentine corn stocks to begin moving onto the world market and additional plantings this year (projected 10% above earlier projections). Stats Canada reported Canadian corn production climbed 18% this year to a new record 13.6 MMT, due to a warming climate.

Futures Market trends this week

WHEAT – Wheat futures finished moderately lower on Monday, as overnight gains gave way to a bearish outside market sell-off. Wheat closed mildly lower on Tuesday in the face of pervasive bearishness across commodity and equity markets. Wednesday brought a solid rebound on short covering triggered by a lower dollar, neutral S&D report and some minor global wheat weather concerns in Argentina (too much rain in Sante Fe province and dry planting conditions in India). Wheat finished solidly higher today (Thursday), shrugging off disappointing export sales and a higher dollar to post gains on short covering. **Wheat market closes on Thursday, 12/10/15...**

	Mar 2016	Weekly Summary	May 2016	Weekly Summary	July 2016	Weekly Summary
Chicago SRW	\$4.95½	Up \$0.11	\$5.01	Up \$0.09¾	\$5.05	Up \$0.07½
KC HRW	\$4.89¾	Up \$0.09¼	\$5.00	Up \$0.08¾	\$5.10¼	Up \$0.08¾
MGE DNS	\$5.15½	Down \$0.07¾	\$5.25¼	Down \$0.06½	\$5.34¼	Up \$0.18¾

CORN – Corn futures started the week with moderate losses in sympathy with a broad commodity sell-off driven by solid gains in the dollar. Corn finished narrowly higher on Tuesday on short covering triggered by a weaker dollar tone. Corn

saw a narrowly mixed finish on Wednesday, trading both sides of unchanged in the face of a neutral S&D report and support from a weaker dollar. Corn closed moderately higher today (Thursday) on support from better than expected weekly export sales, stronger outside markets and uncertainty about future Argentine corn export policies. Gains were limited by further weaker in energies. **Corn futures contract closes on Thursday, 12/10/15...** Mar. 2016 contract at \$3.79¼, down \$0.02¼ for the week, May 2016 contract closed at \$3.84¼, down \$0.03 and the July 2016 contract closed at \$3.88¼, down \$0.04 for the week.

CRUDE OIL – Crude oil futures chopped in a narrow range this week – dipping below \$40 – on continuing pressure from global economic uncertainties which were partially offset by a lower dollar which backed off its recent surge to close at a one month low early in the week. DOE reported domestic crude oil inventories fell unexpectedly last week by 3.568 million bbls, compared to an expected increase of 1.3 million bbls. Distillates increased by 4.998 million bbls, compared to an expected increase of 2.25 million bbls and the sharpest weekly rise since January. Gasoline stocks increased by 786,000 bbls, compared to an expected increase of 1.75 million bbls. **Crude oil closed lower again today (Thursday) under pressure from a higher dollar - closing down \$3.21/bbl for the week to finish at \$36.76.**

IBC WEBINARS

Don't miss IBC Dec. 16 Webinar at 8:30 a.m. MST...2016 Grain Marketing Strategies featuring Brian Rydlund, CHS Hedging. Log on... <http://zoom.us/j/734930534>
Sponsored by the Idaho Barley Commission, Northwest Farm Credit Services and CHS Primeland (Lewiston)

LINKS TO RECORDED WEBINARS

- **El Nino Winter Weather Outlook** presented by NWS Senior Hydrologist Troy Lindquist on Nov. 18, 2015. Link can be found at <https://vimeo.com/146130357>
- **2016 Malting Barley Revenue Endorsement Crop Insurance** presented by Dave Paul, Watt's & Associates on October 22, 2015. Link can be found at <https://vimeo.com/143410554>