

Idaho Grain Market Report, December 15, 2016

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 14, 2016. 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	\$4.75-5.15		\$3.48	\$3.58	\$5.10	\$3.90
Idaho Falls	\$5.00	\$8.30 -8.33	\$3.35	\$3.85	\$5.15	\$3.95
Blackfoot / Pocatello		\$6.50	\$3.35	\$3.85	\$5.15	\$3.95
Grace / Soda Springs	\$5.25		\$3.52	\$3.51	\$5.12	\$3.76
Burley / Rupert	\$5.00		\$3.53	\$3.50	\$5.12	\$3.85
Hazelton						
Twin Falls / Buhl / Wendell	\$6.10		\$3.65			
Nampa – Weiser	\$5.95		\$3.55			
Nez Perce / Craigmont	\$3.75		\$3.71	\$4.15	\$5.66	
Lewiston	\$4.25		\$3.97	\$4.41	\$5.92	
Moscow / Genesee	\$3.75-4.25		\$3.74-3.88	\$4.18-4.32	\$5.69-5.83	\$4.32

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 pro - \$4.60 - 4.75 max 10.5% pro \$4.63-4.68	\$4.90 -5.10	\$6.41¼ -6.66¼	
Los Angeles	\$7.90-8.20					
Tulare	\$7.90-8.20					
Ogden	\$5.50		\$3.85	\$3.75	\$5.40	\$4.00
Great Falls	\$4.25-4.75	\$6.75		\$3.94-4.03 (12%)	\$5.16-5.41	
Minneapolis	\$4.17	NQ		\$4.65 (12%)	\$6.61¼ - 6.76¼	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 5 cents higher this week, but mostly steady. Open market malting barley prices remained steady. USDA reported barley export sales reached a marketing year high last week of 1.3 TMT, all to Japan. Barley export shipments totaled 500 MT, also to Japan.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 3 cents to plus 18 cents; HRW prices ranged from 7 to 30 cents higher; and DNS prices ranged from 1 to 18 cents lower. USDA reported wheat export sales last week were on the high end of trade expectations at 531.3 TMT, up 6% from the previous week but down 7% from the previous 4-week average. Wheat export shipments totaled 422 TMT, down 24% from the previous week but up 59% from the previous 4-week average.

Wheat Competitor / Buyer News – French wheat crop estimate was officially cut to 28 MMT this week, down 32% from the previous year. The Russian wheat crop has been pegged at a new record high of 72 MMT and exports are projected at 28 to 30 MMT, surpassing the EU to become the largest wheat exporter this year. Strategie Grains is projecting EU's wheat crop will rebound in 2017, increasing 7% to 145 MMT on steady acreage and better yields. India purchased 150 TMT of Ukrainian wheat and 50 TMT of Russian wheat this week, bringing year to date wheat imports to 775 TMT, with

another 250 TMT expected to be imported before the end of the marketing year. Saudi Arabia purchased 725 TMT of hard wheat this week, with some likely sourced from the U.S. Tunisia purchased 75 TMT of optional origin soft wheat this week.

CORN – USDA reported corn export sales were on the high end of trade expectations last week at 1.52 MMT (plus 24.1 TMT in MY 2017/18), up 1% from the previous week and up 8% from the previous 4-week average. Corn export shipments were somewhat disappointing at 835.7 TMT, down 39% from the previous week but up 2% from the previous 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported another uptick in U.S. ethanol production last week to 1,040,000 bbls per day, up 17,000 bpd or +1.7% from the previous week and up 4% from a year ago. Ethanol processing margins improved to the best level in nearly two years based on strong crude oil prices. As a result of the robust processing pace, ethanol stocks have now increased to 19.08 million bbls, despite a record pace of ethanol exports and are 6.1% below last year's inventory. Weekly corn usage topped 109.2 million bu, now well above the weekly pace needed to reach USDA's projection of 5.3 billion bu for MY 2016/17.

Corn Competitor / Buyer News – French corn crop estimate for this year was cut by 0.5 MMT this week to 11.8 MMT, down 12% from last year and down 23% from the 5-year average due to dry growing conditions. Strategie Grains is projecting the EU corn crop will rebound in 2017, increasing 2% to 60.9 MMT on small gains in acreage and yields.

Futures Market trends this week

WHEAT – Wheat markets opened the week modestly higher on continued concerns about possible winterkill in parts of the Central Plains this week. Prices continued to push modestly higher through Wednesday, but gains were limited by liquidation sparked by end of year positioning and pressure from a rising dollar which threatens future US export competitiveness. Wheat prices settled lower on Thursday on profit-taking sparked by a surge in the dollar. **Wheat market closes on Thursday, 12/08/2016...**

	Mar 2017	Weekly Summary	May 2017	Weekly Summary	July 2017	Weekly Summary
Chicago SRW	\$4.09 ¹ / ₄	Down \$0.07	\$4.21 ¹ / ₄	Down \$0.05 ¹ / ₄	\$4.33 ³ / ₄	Down \$0.04 ³ / ₄
HRW	\$4.12 ³ / ₄	Down \$0.00 ³ / ₄	\$4.24 ¹ / ₄	Down \$0.01	\$4.36 ¹ / ₄	Down \$0.01 ¹ / ₄
DNS	\$5.38	Up \$0.01 ³ / ₄	\$5.34 ¹ / ₄	Down \$0.04 ¹ / ₄	\$5.37 ³ / ₄	Down \$0.05 ³ / ₄

CORN – Corn posted very modest gains early in the week on supportive outside market forces – notably a lower dollar and higher crude oil – plus weather concerns in Argentina where the corn planting pace is lagging and early growing conditions are adversely hot and dry in many growing regions. Corn finished lower on Thursday under pressure from a rising dollar and profit-taking. **Corn futures contract closes on Thursday, 12/08/16... Mar 2017 contract at \$3.56¹/₂, down \$0.03 for the week, May 2017 contract closed at \$3.63¹/₄, down \$0.03 for the week and the July 2017 contract closed at \$3.70³/₄, down \$0.02³/₄ for the week.**

CRUDE OIL – Prices bounced higher to start the week in follow-through buying triggered by a weekend agreement by key non-OPEC members to cut crude oil output by 558,000 bpd, on top of the 1.2 million bpd cut already announced by OPEC members. But gains could not be sustained as pressure from a rising dollar and skepticism about the success of the OPEC and non-OPEC pumping reductions drove prices lower. A bigger than expected cut in US crude oil inventories helped minimize the losses. The U.S. DOE Energy Information Agency reported domestic crude oil inventories fell by 2.563 million bbls compared to an expected decrease of 1.5 million bbls. Distillate stocks fell by 762,000 bbls, while gasoline stocks increased by 497,000 bbls. **Crude oil futures (Jan contract) finished down \$0.60/bbl for the week to close at \$50.90.**

Weather / Crop Conditions –

U.S. – A band of heavy precipitation is spreading inland across the northern Intermountain West, accompanied by very cold air into the weekend. This storm system is tracking eastward and should bring protective snow cover to many winter wheat areas ahead of the next arctic blast expected early next week. The 6-10 day outlook calls for below normal temperatures across much of the country and wetter than normal conditions across the Northwest and mostly dry conditions across the Midwest and Central and Southern Plains.

INTERNATIONAL -

- **South America** – Argentine grain belt remains mostly hot and dry although some central areas received light precipitation this week. Forecasts are mixed, but some show improved chances for beneficial rain next week. Southern Brazil is trending dry, but other areas continue to receive beneficial moisture to maintain good growing conditions for corn and soybeans.
- **Australia** – Harvest conditions improved this week.