

Idaho Grain Market Report, Dec. 21, 2017

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Dec. 20, 2017. 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 | \$6.00 | | \$3.73 | \$4.52 | \$5.93 | \$4.87 |
| Idaho Falls | | \$8.30 -9.06 nc \$10.62 | \$3.65 | \$4.55 | \$5.75 | \$4.75 |
| Blackfoot / Pocatello | | \$6.50 | \$3.65 | \$4.55 | \$5.75 | \$4.75 |
| Grace / Soda Springs | \$6.00 | | \$3.58 | \$4.27 | \$5.71 | \$4.62 |
| Burley / Rupert | \$5.50 | | \$3.70 | \$4.02 | \$5.47 | \$4.72 |
| Hazelton | | | | | | |
| Twin Falls / Buhl / Jerome / Wendell | \$5.30-6.25 | | \$3.35 – 3.70 | \$4.02 | \$5.47 | \$4.72 |
| Nampa / Weiser | \$5.75 | | \$3.95 | | | |
| Nez Perce / Craigmont | \$4.61 | | \$4.35 | \$4.62 | \$6.51 | |
| Lewiston | \$5.13 | | \$4.51 | \$4.94 | \$6.77 | |
| Moscow / Genesee | \$4.61-4.85 | | \$4.38-4.53 | \$4.65-4.86 | \$6.54-6.76 | \$4.86 |

Prices at Selected Terminal Markets, cash prices FOB

| | #2 Feed 46 lbs. -- | Malting | #1 SWW Ord pro - | #1 HRW 11.5% Protein | #1 DNS 14% Protein | #1 HWW |
|-------------|-------------------------------|-----------------|-----------------------------|---------------------------------|-------------------------------|---------------|
| Portland | | | \$5.11 -5.30 | \$5.72 ½ –5.82½ | \$7.37¾ | |
| Los Angeles | \$8.65-9.00 | | | | | |
| Tulare | \$8.65-9.00 | | | | | |
| Ogden | \$6.80 | | \$3.95 | \$4.50 | \$6.15 | \$5.00 |
| Great Falls | \$5.25 | \$7.50- 8.00 | | \$4.72-4.86(12%) | \$6.28-6.36 | |
| Minneapolis | \$5.52 | | | \$4.92½ (12%) | \$7.37¾ - 7.42¾ | |

Market trends this week

BARLEY – Local feed barley and open market malting barley prices were steady this week. USDA reported there was a net reduction of 1.6 TMT in barley sales last week (new sales to Taiwan offset by reduced sales to Japan) and export shipments of 900 MT to Japan.

WHEAT – Local wheat prices were mixed this week. SWW prices ranged from minus 7 cents to plus 18 cents; HRW prices ranged from minus 28 cents to plus 7 cents; and DNS prices ranged from minus 18 cents to plus 6 cents. USDA reported weekly export sales were well above trade expectations and a marketing year high last week at 796.3 TMT (plus 36.9 TMT for MY 2018/19), up 35% from the previous week and up noticeably from the 4-week average. Cumulative wheat export sales have now reached 71.1% of the USDA estimate for the year, compared to a 5-year average pace of 72.7%. Wheat export shipments were also above expectations last week at 576 TMT, up 92% from the previous week and up 88% from the 4-week average. **Informa has pegged US 2018 winter wheat acres at 31.09 million, down 1.6 million from 2017. They have pegged all wheat plantings at 44.66 million acres. With a baseline yield of 47.4 bpa and current usage, this lower production estimate would reduce US wheat ending stocks to 729 million bu. If yield falls short of trendline, then ending stocks will tighten further and could be very price supportive as the new crop harvest approaches. USDA will release their first estimate of winter wheat acres on Jan. 12.**

Wheat Competitor / Buyer News – Australian wheat harvest is nearing completion, with local analysts estimating the crop at 21 MMT compared to 34 MMT last year and a 10 year average of 25 MMT. German 2018 winter wheat acreage is

estimated to be nearly 5% below last year. Indian government is considering raising their current 20% wheat import duty. U.S. wheat exporters reportedly offered the lowest prices in a recent Iraqi tender for 50 TMT of hard wheat.

CORN – USDA reported corn export sales were well above trade expectations last week at 1.558 MMT (plus 2.3 TMT for MY 2018/19), up 80% from the previous week and up 82% from the 4-week average. Cumulative corn export sales have now reached 51.8% of the USDA estimate for the year, compared to a 5-year average pace of 56.1%. Corn export shipments last week were on the low end of trade expectations at 701.9 TMT, up 2% from the previous week and up 7% from the 4-week average. **Informa is pegging US 2018 corn acres at 89.67 million, down 750,000 from 2017.**

Ethanol corn usage – DOE's Energy Information Agency reported a downtick in weekly U.S. ethanol production– down 12,000 bbls or 1.1% to 1,077,000 bbls per day but 3.96% above a year ago. Ethanol stocks decreased slightly last week to 22.32 million bbls, up 17% from a year ago. Weekly corn usage for ethanol remained very strong at 112.1 mbu, remaining above the pace needed to reach USDA's estimate for MY 2017/18 of 5.525 billion bu.

Corn Competitor/Buyer News – Agrural is pegging the Brazilian corn crop at 84 MMT vs. CONAB's latest projection of 92.2 MMT and USDA at 95 MMT. Local crop watchers indicate that a large portion of the soybean crop in Mato Grosso will be harvested about 4 weeks later than normal, which will make it difficult to plant a second corn crop. Acreage is likely to shift to other crops like sunflowers and cotton. The Buenos Aires Grain Exchange reports the Argentine corn crop is 61.2% planted compared to 63% last year. Their planting pace has lagged this year due to excessively dry conditions but weekend rains are helping producers catch up on plantings. Their estimate corn area was left unchanged at 5.4 million hectares. Chinese corn prices on the Dalian exchange are trading at record high levels – up 21% on the year - as strong demand from refineries pushes prices higher. Chinese mills have purchased 1.2 MMT of US corn since November 1.

Futures Market trends this week

WHEAT – Wheat started the week modestly higher on short covering sparked by concerns about continuing drought conditions across the Central and Southern Plains where they have not received any appreciable moisture in 60 days. Prices finished mixed on Tuesday with early support from forecasts calling for colder temperatures later in the week in areas with inadequate protective snow cover gave way to technical selling. Wheat prices finished stronger on Wednesday on concerns about possible winterkill in the HRW crop and a much lower than expected acreage estimate from Informa. Wheat finished mixed today (Thursday) with winter wheat contracts trading higher on cold weather concerns and better than expected wheat export sales. **Wheat futures contract closes on Thursday, 12/21/2017...**

| | Mar 2018 | Week Change | May 2018 | Week Change | July 2018 | Week Change |
|---------|-----------------|--------------------|-----------------|--------------------|------------------|--------------------|
| CHI SRW | \$4.27 | Up \$0.08¾ | \$4.39 | Up \$0.08¾ | \$4.51¾ | Up \$0.07¾ |
| KC HRW | \$4.24¼ | Up \$0.06¾ | \$4.37¼ | Up \$0.07 | \$4.53¾ | Up \$0.07½ |
| MGE DNS | \$6.17 | Down \$0.03 | \$6.25½ | Down \$0.03 | \$6.30¼ | Down \$0.01½ |

CORN- Corn traded in a very narrow choppy trading range to start the week. A continuing lackluster export shipment pace and weekend rains in Argentina were the main features. Limited short covering pushed corn prices modestly higher on Wednesday. Corn finished modestly higher today (Thursday) on support from stronger than expected export sales. **Mar. 2018 contract closed on 12/21/2017 at \$3.51¼, up \$0.03¾ for the week, May 2018 contract closed at \$3.59½, up \$0.03¾ for the week and July 2018 contract closed at \$3.67¾, up \$0.03½ for the week.**

CRUDE OIL – Crude oil futures continued to grind modestly higher in a narrow range this week, with support from a continuing decline in domestic crude oil inventories offset by increasing U.S. production which has hit the highest output since the 1970s and expected to top 10 million bpd in 2018. The U.S. EIA reported domestic crude oil stocks fell for the 5th consecutive week, dropping 6.495 million bbls last week, compared to an expected decline of 4.5 million bbls. Distillate stocks increased by 769,000 bbls, while gasoline stocks increased by 1.237 million bbls. **Crude oil futures (Dec) finished up \$1.03/bbl for the week to close at \$58.36/bbl (Feb contract).**

Crop / Weather Conditions – Argentine growing areas received beneficial moisture last weekend, but models are conflicted about the 10 day outlook, with some leaning wetter and others trending drier. Australian winter grain harvest is winding down, with local analysts pegging their wheat crop at 21 MMT, down sharply from 34 MMT a year ago.

IDAHO AG TECHNOLOGY BOOTCAMP on January 4-5, 2018 sponsored by the UI Extension, Idaho Barley Commission, Idaho Wheat Commission, Anheuser Busch InBev, Great Western Malting Co., Simplot, Idaho Farm Bureau Federation and Northwest Farm Credit. This event will take place at Idaho State University in Pocatello. **Pre-registration is requested: \$45 fee for one day or \$65 for both days. Register on-line at www.cetrain.isu.edu/agtech**

IBC WEBINAR SERIES...

RECORDED DEC. 14, 2017 GRAIN MARKETING WEBINAR... **Five Common Mistakes in Grain Marketing** featuring **Ed Usset**, University of Minnesota Center for Farm Financial Management. Link at <https://umn.webex.com/umn/lsr.php?RCID=ae9df66dac774406b1dd375c7f9e2a30>

RECORDED Dec. 1, 2017 WEBINAR... **Winter 2018 Weather & Water Outlook** featuring Troy Lindquist, NWS Senior Hydrologist. Link at <https://vimeo.com/246010744>

RECORDED March 2017 GRAIN MARKETING WEBINAR... **How to Write a Pre-Harvest Grain Marketing Plan**, featuring Ed Usset, Univ. of Minnesota. Link at <https://umn.webex.com/cmp3200/webcomponents/jsp/docshow/closewind>