

Idaho Grain Market Report, March 6, 2020—NEW CROP PRICES

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 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 March 4, 2020. 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						
Idaho Falls		8.30-8.33	4.40	4.70	5.25	4.60
Blackfoot / Pocatello		7.06	4.40	4.70	5.25	4.60
Grace / Soda Springs	7.00			4.68	5.20	4.73
Burley / Rupert	6.50		4.32	4.30	4.91	4.40
Twin Falls / Buhl Jerome / Wendell	6.00-7.50		4.65-4.75	4.50	5.15	4.50
Nampa / Weiser			NA			
Nezperce / Craigmont	4.96		5.05	5.13	6.04	
Lewiston	5.48		5.31	5.39	6.30	
Moscow / Genesee	4.99-5.18		5.08-5.20	5.16-5.27	6.07-6.19	

Prices at Selected Terminal Markets, cash FOB

Wednesday March 4, 2020. 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			5.93-6.00	5.95-6.10	6.63-6.98	
Ogden	7.80		4.46	4.78	5.30	4.83
Great Falls	4.50-6.50	7.00-7.75		4.70-4.88	5.44-5.54	
Minneapolis						

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were down \$0.25 to up \$0.25 for the week ending March 4. Idaho cash malt barley prices were unchanged for the week. For the period February 21-27, USDA FAS reported for no net barley for 2019/2020. Exports of 600 MT to Japan were down noticeably from the prior week but down 14 percent from the previous 4 week average.

Barley News- According to a report from the Australian Export Grain Innovation Centre (AEGIC), western Australian barley growers will likely be the hardest hit in the country as a result of coronavirus. The study found that the coronavirus will much more severely affect Western Australia farmers than the SARS outbreak of the early 2000s. AEGIC chief economist Ross Kingwell said infection rates to date suggest the coronavirus outbreak is a more serious health threat than the SARS epidemic. "The global cost of the SARS was an estimated US\$40 billion (A\$59.7 bln), it infected 8098 people with 774 deaths in at least 17 countries," professor Kingwell said. "As of February 10, 2020, 40,171 confirmed cases of coronavirus infection and 908 deaths were reported. "Coronavirus is an economically much more serious set of potential outcomes for WA farmers." Professor Kingwell said the threat to WA barley growers was potentially the most severe as the state is the nation's major source of barley exported to China, which is by far the main grain exported from Australia to China. "When we combine what's happening in China with the ongoing effect of the African swine fever epidemic, it's causing a marked reduction in feed demand in China," professor Kingwell said. "WA is a major export source of barley that goes into both the malt that is beer producing and the animal feed market in China, because of that WA farmers are probably going to have a lot of downward price pressure on their barley prices."

Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mostly down for the week ending March 4. SWW prices ranged from down \$0.20 to down \$0.06 from the previous week; HRW prices were down \$0.11 to down \$0.01; DNS prices were down \$0.08 to up \$0.04; and HWW prices were down \$0.15 to down \$0.02. USDA FAS reported net sales for 2019/2020 for the period February 21-27 at 542,400 MT, up 42 percent from the prior week and up 23 percent from the previous 4 week average percent. Increases were to Taiwan (102,500 MT), South Korea (85,800 MT), Indonesia (77,000 MT), and Mexico (75,000 MT). Exports of 648,800 MT were up 59 percent from the previous week and up 36 percent from the prior 4-week average.

Wheat News—According to Agricensus the Australian grain and oilseed output is expected to revert to the mean in the 2020/21 marketing year, with easing drought and higher planting also improving the longer-term fortunes of the sector. A return to average yields after two years of drought will help production jump 41% year-on-year to 21.4 million mt, Abares said in its quarterly Agricultural Commodities Outlook published Tuesday. “Crop production is forecast to recover in 2020/21 with improved seasonal conditions... By 2024–25, crop production is projected to reach within 13% of 2016/17 levels,” the state agriculture agency said. Wheat exports are expected to rebound 30% to 12.4 million mt in the 2020/21 marketing year, with other crop volumes also increasing. Australian grain and oilseed output is expected to revert to the mean in the 2020/21 marketing year, with easing drought and higher planting also improving the longer-term fortunes of the sector. A return to average yields after two years of drought will help production jump 41% year-on-year to 21.4 million mt, Abares said in its quarterly Agricultural Commodities Outlook published Tuesday. “Crop production is forecast to recover in 2020/21 with improved seasonal conditions... By 2024–25, crop production is projected to reach within 13% of 2016/17 levels,” the state agriculture agency said. Wheat exports are expected to rebound 30% to 12.4 million mt in the 2020/21 marketing year, with other crop volumes also increasing.

CORN—USDA FAS reported net export sales for 2019/2020 for period February 21-27 of 769,200 MT, increases were primarily to Mexico (248,100 MT), South Korea (136,000 MT), Colombia (88,000 MT), Vietnam (66,000 MT), and Saudi Arabia (65,700 MT). Exports of 884,600 MT were to Japan (335,600 MT), Mexico (277,600 MT), Vietnam (66,000 MT), Saudi Arabia (65,700 MT), and Guatemala (31,900 MT).

Ethanol Corn Usage—DOE’s Energy Information Agency (EIA) reported ethanol production for the week ending February 28 averaged 1.079 million bbls/day – up 2.37 percent from the previous week and up 5.37 percent from last year. Total ethanol production for the week was 7.553 million barrels. Ethanol stocks were 24.964 million bbls on February 28, down 1.00 percent from last week and up 2.90 percent from last year. An estimated 108.37 million bu of corn was used in last week’s production bringing this crop year’s cumulative corn usage for ethanol production at 2.68 billion bu. Corn used needs to average 104.388 million bu per week to meet USDA estimate of 5.425 billions bu for the crop year.

Futures Market News and Trends—Week Ending March 5, 2020

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, March 5, 2020:

Commodity	March 2020	Week Change	May 2020	Week Change	July 2020	Week Change	Sept 2020	Week Change
CHI SRW	\$5.24¼	-\$0.04¾	\$5.25	-\$0.06¼	\$5.19½	-\$0.06¾	\$5.25½	-\$0.06½
KC HRW	\$4.39¼	-\$0.06¼	\$4.46¼	-\$0.07	\$4.53½	-\$0.06¾	\$4.63	-\$0.06¼
MGE DNS	\$5.06¼	-\$0.05	\$5.22	-\$0.05½	\$5.31¾	-\$0.05	\$5.41	-\$0.05¼
CORN	\$3.84½	\$0.18	\$3.81¾	\$0.16½	\$3.83¾	\$0.11¼	\$3.80	\$0.07½

WHEAT FUTURES—Wheat futures prices were down for the market week ending March 5. **Wheat futures prices were down \$0.07 to down \$0.04¾ (per bu) compared to the previous week.**

CORN FUTURES—Corn futures prices were up with lower export sales according to the export data from USDA to end the market week March 5. **Corn futures prices ranged from up \$0.07½ to up \$0.18 (per bu) under the previous week.**

CRUDE OIL FUTURES—U.S. crude stocks rose modestly last week, less than analysts had expected, while U.S. oil exports rose to more than 4 million barrels per day (bpd) for the first time since December, suggesting a rise in overseas demand.

EIA reported U.S. crude oil refinery inputs averaged 15.7 million bbls/day during the week ending February 28, 2020 was 312,000 bbls/day less than last week’s average. Refineries operated at 86.9% of capacity last week. As of February 28, there was an increase in Crude Oil stocks of 0.784 million bbls from last week to 444.119 million bbls, under the 5-year average of 462.700 million bbls. Distillate stocks decreased by 4.008 million bbls to a total of 134.464 million bbls, under the 5-year average of 144.585 million bbls; while gasoline stocks decreased by 4.339 million bbls to 252.408 million bbls, over the 248.283 million bbl 5-year average. The national average retail regular gasoline price was \$2.423 per gallon on March 2, \$0.043 lower than last week’s price but \$0.001 over a year ago. The national average retail diesel fuel price was \$2.851 per gallon, down \$0.031 per gallon from last week’s level and down \$0.225 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, March 5, 2020 to close at \$45.90/bbl (April contract), up \$1.14 for the week.

USDA Crop Progress / Condition Report—Next Report April 6, 2020

The first USDA Crop Progress/Condition Report for 2020 will be released April 6, 2020.

United States Drought Monitor by the National Drought Mitigation Center—March 3, 2020

National Drought Summary for March 3, 2020:

Northeast— No new abnormal dryness developed this week.

Southeast— Rainfall adding to excessive moisture across central and eastern Mississippi, northern Alabama and Georgia, and into South Carolina. Abnormal dryness was removed from on southwestern Georgia. Abnormal dryness was slightly increased north and east of the Tampa Bay area.

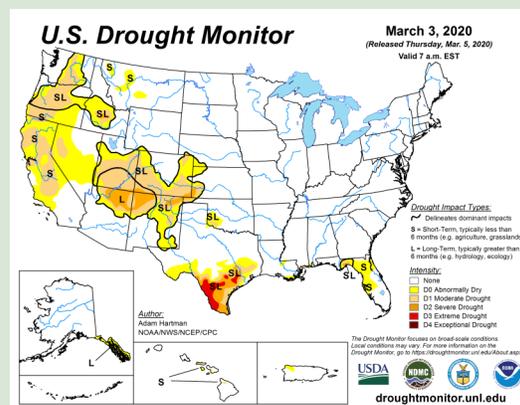
South— Drought increased in southern Texas and long the coastal areas. Abnormal dryness remains in the Gulf Coast in Louisiana, Mississippi, and Alabama.

Midwest— No drought or abnormal dryness in the Midwest this week.

High Plains— Some moderate drought was added in northeast Colorado. No abnormal dryness elsewhere.

West—Moderate drought expanded in the San Francisco Bay area, Mendocino County, Trinity County, Shasta County, and into San Luis Obispo county in California.

Looking Ahead— Heavy rain exiting the Southeast. Light to moderate rainfall long the coastal areas of California, the Sierra Nevada, and the Four Corner Region.



USDA U.S. Crop Weather Highlights—March 5, 2020

West—Record setting warmth across California and the Great Basin causing premature high elevation snow melting. Mild, dry conditions in the remainder of the West. Showers approaching the northern Pacific Coast.

Plains—Mild, breezy conditions. Beneficial rainfall in parts of Texas where rangeland and pastures were rated 29% in very poor to poor conditions on March 1. Elevated wildfire threats across the central Plains.

Corn Belt— Rainfall and snow across the upper Great Lakes region. Mild, breezy conditions across the remainder of the Midwest. Elevated grassfire threats into the southwestern Corn Belt, including parts of Nebraska, Missouri, and southern Iowa.

South— Rainfall and thunderstorms from the Mississippi Delta eastward into Georgia and South Carolina. Flooding, hail, high winds, and isolated tornadoes threatening parts of the Southeast. Dry, breezy conditions in the western Gulf Coast region. Recovery taking place in central Tennessee after the deadly tornadoes on March 2-3.

Outlook for U.S.— Heavy rain and thunderstorms in parts of the Southeast. Wind and snow across the Northeast. Brief cold air in the South and East followed by above normal temperatures. Light rainfall and cold temperatures in the West. Cold conditions limited to the Canadian border from the Plains into the upper Great Lakes Region. The NWS 6-10 day weather outlook for March 10-14 calls for near or above temperatures and precipitation across most of the country. Cooler and drier than normal conditions limited to the Pacific Northwest.

International Crop Weather Highlights—March 3, 2020

Europe— From Germany into Poland and the Balkans, abnormally warm conditions usher winter crops out of dormancy more than a month ahead of schedule. Heavy rainfall in Europe maintaining abundant moisture reserves for greening winter wheat and rapeseed. Increased drought concerns in Spain and Italy for vegetative winter grains.

Middle East— Rainfall and snow throughout much of Turkey benefiting winter grains, which have been begun to break dormancy. Heavy rainfall in Jordan, Iraq and Iran favored greening to vegetative wheat and barley.

Asia— Warm conditions in northern India and Pakistan promoted maturation of wheat and rapeseed. In eastern China, an early spring warmth is encouraging wheat to break dormancy while promoting rapeseed development. Rainfall in eastern China boosted soil moisture for vegetative crops. Rainfall in Java, Indonesia provided favorable late season moisture to first crop rice and boosted moisture reserves for spring and summer sown rice. Long term poor moisture conditions for oil palm in Malaysia and parts of Indonesia reduced yield potential.

Australia—Rainfall brought drought relief to the east, summer crops suffered irreversible damage from extreme heat and dryness early in the growing season effecting summer crops prospects.

South America— Rainfall in Brazil maintained favorable summer crops prospects, more rain is need for establishment of second crop corn. Sunny, warm conditions in southern Argentina, spurred rapid development of summer grains and oilseeds.

South Africa— Favorable conditions for corn and other summer crops advancing in development.

Northwestern Africa— Drought in Morocco intensified and expanded across Algeria and Tunisian. Wheat and barley are approaching or nearing progressing through production up to 3 weeks early. Significant yield losses likely where crops are more advanced.