

# Idaho Grain Market Report, May 14 2020—NEW CROP PRICES

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday May 13, 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	5.50		3.90			4.00
Idaho Falls		8.30-8.33	4.25	4.35	4.90	4.35
Blackfoot / Pocatello		7.06	4.25	4.35	4.90	4.35
Grace / Soda Springs	6.50			4.12	4.79	4.12
Burley / Rupert	5.75		3.985	4.21	4.70	4.21
Twin Falls / Buhl Jerome / Wendell	5.00-6.25		4.00-4.35	4.01	4.80	4.01
Nampa / Weiser			NA			
Nezperce / Craigmont	4.71		5.25	5.02	5.82	
Lewiston	5.23		5.51	5.28	6.08	
Moscow / Genesee	4.74-5.43		5.28-5.43	5.05-5.40	5.85-6.13	

## Prices at Selected Terminal Markets, cash FOB

Wednesday May 13, 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			6.00-6.05	5.88-5.98	6.18-6.73	
Ogden	7.30		3.98	4.22	4.89	4.22
Great Falls	4.60-6.00			4.66-4.74	5.08-5.18	
Minneapolis						

## Market News and Trends This Week

**BARLEY**—Idaho cash feed barley prices were unchanged to up \$0.50 for the week ending May 6. Idaho cash malt barley prices were unchanged for the week. For the period April 24-30, USDA FAS reported no net barley export sales for 2019/2020. Exports of 600MT. Sup 78 percent form the prior week and up noticeably from the previous 4 week average were reported for the week to Japan (400 MT) and Taiwan (100 MT).

**Barley and Beer Industry News**—The latest USDA World Markets and Trade report released on May 12 reports that global barley production is projected to decline slightly from the 2019/20 record, but remain relatively high compared to historical levels, driven by Canada, the European Union, Russia, and Australia. The Australian crop reaches its largest level in 4 years (since 2016/17) with a favorable early season, while production for the others returns to more historical levels. Global trade declines slightly, supported by weaker import demand primarily from China, the EU, Iran, Saudi Arabia, and Turkey. Due to pressure on prices from corn and a smaller barley supply, consumption will decline as feed shifts more to competitively priced corn. Although there is a slight decline in nonfeed consumption for barley, ending stocks are projected to decline after a 2-year rebound.

Big news today—U.S. barley can now be exported to China following the approval of a phytosanitary protocol by both countries, a market development achievement years in the making finally accomplished with the boost of the U.S.-China Phase 1 deal signed in January. The notice on China's customs website was posted Thursday, March 14 and confirmed to be approved by the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (USDA-APHIS). In the coming weeks, APHIS and the U.S. Grains Council (USGC) will now work with Chinese officials to develop fumigation and industry best practices requirements, and the Council and barley industry will work to ensure potential exporters meet administrative requirements to sell to China. This is a positive development for Idaho and U.S. barley growers.

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## Market News and Trends This Week—continued

**WHEAT**—Idaho cash wheat prices were mixed for the week ending May 13. SWW prices ranged from down \$0.25 to up \$0.08 from the previous week; HRW prices were down \$0.19 to up \$0.35; DNS prices were down \$0.07 to up \$0.10; and HWW prices were down \$0.35 to down \$0.19. USDA FAS reported net export sales for 2019/2020 for the period May 1-7 at 203,500 MT, down 17 percent from the prior week and down 28 percent from the previous 4 week average percent. Increases were to the Philippines (61,900 MT), Yemen (55,800 MT), China (55,000 MT), Malaysia (44,000 MT), and Italy (39,300 MT). Exports of 368,900 MT were down 35 percent from the previous week and down 35 percent from the prior 4-week average.

**Wheat News**—The latest USDA World Markets and Trade report was released on May 12. For 2020/21, global wheat production is forecast up with larger crops in most major exporting countries. Production for Argentina, Australia, Canada, Kazakhstan, and Russia is forecast higher than the previous year. Overall consumption is up with larger Food, Seed, and Industrial (FSI) use more than offsetting reduced feed and residual use. Food consumption continues to rise due to population growth and changing diets, especially in developing regions of Asia. Feed use is expected lower this year as wheat prices are expected to be less competitive with corn. Consumption, production, trade, and stocks are all forecast to reach records. China is still expected to represent more than half of global wheat stocks.

**CORN**—USDA FAS reported net export sales for 2019/2020 for period May 1-7 of 1,073,200 MT, increases were primarily to China (371,000 MT), Mexico (239,600 MT), Japan (163,100 MT), Colombia (117,200 MT), and South Korea (74,500 MT). Exports of 1,311,100 MT were to Mexico (386,900 MT), Japan (304,300 MT), Costa Rica (99,100 MT), South Korea (80,600 MT), and Tunisia (63,700).

**Ethanol Corn Usage**—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending May 8 averaged 617 thousand bbls/day – up 3.18 percent from the previous week and down 41.29 percent from last year. Total ethanol production for the week was 4.319 million barrels. Ethanol stocks were 24.19 million bbls on May 8, down 5.55 percent from last week and up 8.72 percent from last year. An estimated 62.99 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 3.43 billion bu. Corn used needs to average 93.487 million bu per week to meet USDA estimate of 4.95 million bu for the crop year.

## Futures Market News and Trends—Week Ending May 14, 2020

### FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, May 14, 2020:

Commodity	May 2020	Week Change	July 2020	Week Change	September 2020	Week Change	December 2020	Week Change
CHI SRW	\$5.10½	-\$0.19	\$5.02¼	-\$0.19¾	\$5.05¼	-\$0.20	\$5.15¼	-\$0.18½
KC HRW	\$4.58	-\$0.46	\$4.51¾	-\$0.28¼	\$4.58½	-\$0.28¼	\$4.70¾	-\$0.27¾
MGE DNS	\$5.00	\$0.00	\$5.08	-\$0.08	\$5.19½	-\$0.06¾	\$5.32¾	-\$0.05½
CORN	\$3.20¼	-\$0.01¼	\$3.17½	-\$0.01¾	\$3.22	-\$0.02¾	\$3.31¾	-\$0.04

**WHEAT FUTURES**—Wheat futures prices were mixed as sales dropped dramatically for the week. **Wheat futures prices ranged from down \$0.46 to down \$0.20 (per bu) compared to the previous week.**

**CORN FUTURES**—Corn futures prices were mixed for the week with an increase in exports. **Corn futures prices ranged from \$0.04 to up \$0.01¼ (per bu) under the previous week.**

**CRUDE OIL FUTURES**—Oil prices were on the rise again Thursday, March 14 following a mixed day on Wednesday. Thursday markets were up around 5 percent. There's no sign of nervousness going into Tuesday's June expiry. Saudi Arabia's oil giant Aramco has slashed its crude oil allocations by up to 30 percent to at least three buyers in Asia for June.

EIA reported U.S. crude oil refinery inputs averaged 12.4 million bbls/day during the week ending May 8, 2020 was 0.6 million bbls/day more than last week's average. Refineries operated at 67.9% of capacity last week. As of May 8, there was a decrease in Crude Oil stocks of 0.745 million bbls from last week to 531.476 million bbls, over the 5-year average of 476.834 million bbls. Distillate stocks increased by 3.511 million bbls to a total of 155.001 million bbls, over the 5-year average of 133.461 million bbls; while gasoline stocks decreased by 3.513 million bbls to 252.894 million bbls, over the 231.942 million bbl 5-year average. The national average retail regular gasoline price was \$1.851 per gallon on May 11, \$0.062 higher than last week's price and \$1.015 under a year ago. The national average retail diesel fuel price was \$2.394 per gallon, down \$0.005 per gallon from last week's level and down \$0.766 from a year ago.

**NYMEX Crude Oil Futures finished the week ending Thursday, May 13, 2020 to close at \$27.59/bbl (June contract), up \$2.85 for the week.**

## USDA Crop Progress/Condition Report—May 11, 2020

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Winter Wheat Headed	44%	32%	38%	50%	53%	55%	64%
<b>ID Winter Wheat Headed</b>	<b>4%</b>	<b>1%</b>	<b>3%</b>	<b>6%</b>	<b>65%</b>	<b>65%</b>	-
US Spring Wheat Planted	42%	29%	38%	63%	-	-	-
<b>ID Spring Wheat Planted</b>	<b>92%</b>	<b>78%</b>	<b>78%</b>	<b>83%</b>	-	-	-
US Barley Planted	60%	41%	53%	68%	-	-	-
<b>ID Barley Planted</b>	<b>92%</b>	<b>74%</b>	<b>83%</b>	<b>86%</b>	-	-	-
US Barley Emerged	24%	12%	21%	37%	-	-	-
<b>ID Barley Emerged</b>	<b>45%</b>	<b>29%</b>	<b>38%</b>	<b>59%</b>	-	-	-
US Corn Planted	67%	51%	28%	56%	-	-	-
US Corn Emerged	24%	8%	9%	22%	-	-	-

## USDA U.S. Crop Weather Highlights—May 13, 2020

**West**—Showers in the Pacific Northwest and the northern Rockies. Dry conditions benefit fieldwork in California and the Southwest. Cooler than normal conditions in the West.

**Plains**—Cold, rain in parts of Montana and the Dakotas, slow pace spring wheat planting and other fieldwork operations. As of May 10, less than half (42%) of the U.S. spring wheat had been planted compared to the 5 year average of 63%. Showers and thunderstorms in eastern section of Kansas and Oklahoma. Warm, breezy conditions across the southern High Plains elevated wildfire threats.

**Corn Belt**—Early morning frosts and freezes in the Great Lakes region, threatening fruit crops. Low temperatures of 24 degrees in western Michigan’s fruit belt, Traverse City. Producers scout the effects of recent freezes on jointing to heading winter wheat and emerged corn and soybeans in the Midwest. Light showers in the lower Ohio Valley and the eastern Dakotas.

**South**—Rainfall in Kentucky and Tennessee. Dry conditions across the Deep South, areas of drought are present. As of May 10, topsoil moisture was rated 63% very short to short in Texas and 61% very short in Florida.

**Outlook for U.S.**— Cooler than normal conditions west of the Rockies and in the Pacific Coast States. Rainfall from central and eastern Texas into the southern and eastern Corn Belt and parts of the Northeast, totals could reach 2-4 inches. Heavy rainfall across southern Florida. Dry conditions from northern Florida to the Carolinas and from southern California to the southern Rockies, Light to heavy rainfall from the Pacific Northwest to the northern Plains. The 6-10 weather outlook for May 28-22 calls for above normal temperatures in the central and eastern U.S. Cooler than normal conditions in the Far West, Dry conditions on the Southwest, Southeast, Midwest, and central Plains.

## International Crop Weather Highlights—May 12, 2020

**Europe**— Rainfall eased spring drought and boosted moisture for reproductive winter wheat and rapeseed in France and the lower Balkans and boosted winter crop prospects in Poland. Dry conditions benefited reproductive to filling wheat and barley in Spain. Drought concerns in England for reproductive winter crops.

**Middle East**— Heavy rainfall from Turkey into Iran maintained excellent prospects for reproductive to filling winter grains but slowed summer crop planting,

**Asia**— Hot conditions across the region, showers in eastern India and Bangladesh boosted moisture supplies ahead of rice sowing. Showers in much of eastern China boosted moisture supplies for summer crop establishment, rapeseed and early crop rice matured and wheat was filling. Rainfall in southern portions (Malaysia and Indonesia) supported oil palm, rice growers in Thailand and environs await the wet season.

**Australia**— Rainfall in the west benefiting wheat, barley, and canola planting. Showers in the southeast favored winter crop planting and early development. Dry conditions in Queensland promoted summer crop harvesting but slowed winter wheat germination.

**South America**— Dry, warm conditions promoted rapid growth of corn and cotton in Brazil. Favoring conditions for summer crop harvesting and winter grain planting in Argentina.

**Mexico**— Rainfall boosted moisture for germination in the southern plateau corn belt.

**Canada**— Cold, wet conditions and unharvested 2019 crops hampering spring corn sowing.

**FSU**— Rainfall in Moldova, Ukraine, and western Russia boosted moisture supplies for winter crops nearing or progressing through reproduction. More rain needed.

**WHEAT:** The initial outlook for 2020/21 U.S. wheat is for smaller supplies, decreased domestic use, lower exports, and reduced stocks. Supplies are decreased by 121 million bushels from 2019/20 on lower carry-in stocks and smaller production. The 2020/21 U.S. wheat crop is projected at 1,866 million bushels, down 3 percent from last year on lower yields offsetting higher harvested acreage. The all-wheat yield is projected at 49.5 bushels per acre, down 2.2 bushels from last year. The first 2020 NASS survey-based winter wheat production forecast of 1,255 million bushels is down 4 percent from 2019, on lower Hard Red Winter and White Winter production. Total 2020/21 domestic use is projected down nearly 3 percent on reduced feed and residual use as record-large 2020/21 corn supplies are expected to displace wheat for feeding. Higher food use is partially offsetting as 2020/21 is projected up 2 million bushels to 964 million, up from a revised 2019/20 estimate of 962 million, which was raised 7 million this month. The NASS Flour Milling Products report, issued on May 1, indicated an unusually large volume of wheat was ground for flour in the first quarter of 2020. Exports for 2020/21 are projected at 950 million bushels, down 20 million from the revised 2019/20 exports. Greater global 2020/21 export competition is expected for the United States with several major exporters projected having larger supplies. Projected 2020/21 ending stocks are 69 million bushels lower than last year at 909 million. The projected season-average farm price is \$4.60 per bushel, unchanged from last year as the outlook for low U.S. corn prices is expected to restrain 2020/21 U.S. wheat prices. The initial outlook for 2020/21 international wheat is for larger supplies, increased trade, greater consumption, and higher ending stocks. Foreign supplies are projected to increase 23.2 million tons to 982.4 million as several major exporters (Argentina, Australia, Canada, and Russia) are projected to have higher production for 2020/21. Australia is projected with the largest increase from last year to 24.0 million tons, up 8.8 million as it recovers from a multi-year drought. Conversely, the EU is projected to decline nearly 12 million tons to 143.0 million on lower harvested area and yields. Ukraine production is also projected lower at 28.0 million tons, but this would still be the second largest production on record. Projected 2020/21 global trade is 4.6 million tons, or more than 2 percent higher, at a record-high 188.0 million on greater exportable supplies. Imports are projected to rise, primarily on increased demand by China, Algeria, Morocco, the EU, Iraq, and Uzbekistan. Russia is projected as the 2020/21 leading world wheat exporter at 35.0 million tons with Argentina, Australia, and Canada also projected higher while the EU, Ukraine, and United States are lower. Projected 2020/21 world consumption is increased 4.9 million tons to a record-large 753.5 million as higher food, seed, and industrial use more than offsets reduced feed use on greater global corn supplies. Projected 2020/21 world ending stocks increased 5 percent to a record-large 310.1 million tons with China accounting for 52 percent of the total.

**COARSE GRAINS:** The U.S. feed-grain outlook for 2020/21 is for record high production and domestic use, greater exports, and larger ending stocks. The corn crop is projected at a record 16.0 billion bushels, up from last year on increased area and a return to trend yield. The yield projection of 178.5 bushels per acre is based on a weather-adjusted trend assuming normal planting progress and summer growing season weather, estimated using the 1988-2019 time period. Despite WASDE-600-2 beginning stocks that are down slightly from a year ago, total corn supplies are forecast record high at 18.1 billion bushels. Total U.S. corn use in 2020/21 is forecast to rise relative to a year ago with increases for domestic use and exports. Food, seed, and industrial (FSI) use is projected to rise 245 million bushels to 6.6 billion. Corn used for ethanol is projected to increase from the 2019/20 COVID-19 reduced levels, based on expectations of a rebound in U.S. motor gasoline consumption. Sorghum FSI for 2020/21 is lower as expectations of increased sorghum import demand from China reduce available domestic supplies. Corn feed and residual use is projected higher mostly reflecting a larger crop and lower expected prices.

U.S. 2020/21 corn exports are forecast to rise 375 million bushels to 2,150 million, driven by growth in world corn trade. U.S. market share is expected to increase from the 2019/20 multi-year low, but remains below the average level seen during 2015/16 to 2019/20 with expected competition from Argentina, Brazil, and Ukraine. With total U.S. corn supply rising more than use, 2020/21 U.S. ending stocks are up 1.2 billion bushels from last year and if realized would be the highest since 1987/88. Stocks relative to use at 22.4 percent would be the highest since 1992/93. With larger stocks relative to use, the season average farm price is projected at \$3.20 per bushel, down 40 cents from 2019/20 and the lowest since 2006/07. The global coarse grain outlook for 2020/21 is for record production and use and larger ending stocks. World corn production is forecast record-high, with the largest increases for the United States, Brazil, Ukraine, Mexico, and Canada. Global corn use is expected to grow 4 percent, with foreign consumption up 3 percent. Global corn imports are projected to increase 4 percent. Notable forecast increases in corn imports include the EU, Egypt, Mexico, Iran, Morocco, and Vietnam. Global corn ending stocks are up from a year ago, as a decline in foreign stocks is more than offset by an increase for the United States. Excluding China and the United States, ending stocks are up 4 percent relative to a year ago. For China, total coarse grain imports are forecast at 18.3 million tons, up 1.3 million from 2019/20 but below the 2014/15 record of 25.7 million tons. Since 2001/02, China's largest individual coarse grain import total occurred during 2014/15 with 10.2 million tons of sorghum. Over that same time period realized corn imports reached a high of 5.5 million tons. Expectations are for robust demand from China in 2020/21, with 7.0 million tons of corn, 6.0 million of barley, and 5.0 million of sorghum imports from all sources.

**BARLEY:** The May 12 report shows the outlook for 2020/21 U.S. barley supplies for May at 281 million bushels. With projected yield and production at an estimated 75.8 bushels/acre yield and 2.4 million acres expected to be harvested. Projected use is at an estimated 188 million bushels, and projected imports at 7 million bushels. Ending stocks for 2020/21 are projected to be 93 million bushels. The season-average farm price is at \$4.30 on updated NASS prices.