

# Idaho Grain Market Report, August 13, 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 August 12, 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	5.75-6.00		3.90-3.95	3.90	4.57	3.90-4.15
Idaho Falls		8.30-8.33	3.97	3.90	4.47	3.60
Blackfoot / Pocatello		7.06	3.97	3.90	4.47	3.60
Grace / Soda Springs	6.50		3.97	3.90	4.47	
Burley / Rupert	6.25		4.20	4.20	4.68	4.20
Twin Falls / Buhl Jerome / Wendell	5.00-6.75		4.11-4.25	3.97	4.47	3.55
Nampa / Weiser			NA			
Nezperce / Craigmont	4.71		4.50	4.676	5.17	
Lewiston	5.23		4.76	4.93	5.43	
Moscow / Genesee	4.74-4.93		4.53-4.70	4.70-4.82	5.20-5.33	

## Prices at Selected Terminal Markets, cash FOB

Wednesday August 12, 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			5.30-5.35	5.53	5.68	
Ogden	7.30		4.17	4.25	4.72	3.70
Great Falls	4.60-5.35			4.34-4.36	4.60-4.80	
Minneapolis						

## Market News and Trends This Week

**BARLEY**—Idaho cash feed barley prices were unchanged for the week ending August 12. Idaho cash malt barley prices were unchanged for the week. Net barley sales of 600MT were reported to Japan by USDA FAS for the week of July 31-August 6. Exports of 5,100MT, a marketing year high were reported to Japan.

**Barley and Beer Industry News**—On Tuesday, The Scoular Company announced that it has selected Jerome, Idaho, as the location to manufacture a new sustainable, plant-based alternative protein made from barley. Scoular will build a 15,000-square-foot facility to manufacture the product, called barley protein concentrate, for use in aquaculture feed and pet food. The building will be constructed on 4 acres south of Scoular's existing livestock feed ingredients facility in Jerome. The operation is expected to create 13 jobs and begin manufacturing in May 2021. "We're very excited that The Scoular Company chose Jerome as the site for this new investment," said Jerome Mayor Dave Davis. "The city is grateful that Scoular continues to demonstrate its long-term commitment to our community." Scoular, based in Omaha, Nebraska, selected Jerome in south-central Idaho because of its proximity to its valued grain producer customers and end markets for the manufactured products, said JC Olson, Product Group Manager for Scoular. Idaho is the leading state for barley production in the United States. Scoular's presence in Idaho includes several grain handling facilities and the state-of-the-art livestock ingredients facility in Jerome. Initially, the new manufacturing plant is projected to process 1.9 million bushels of barley annually, with capacity projected to expand over the next several years. A high-energy liquid feed supplement for cattle feeders will be co-produced. "We look forward to making this investment in both Jerome and the state of Idaho," Olson said. "This facility and innovative barley product will create a new market and greater stability for farmers in the Magic Valley region and throughout Idaho."

## Market News and Trends This Week—continued

**WHEAT**—Idaho cash wheat prices were mostly down for the week ending August 12. SWW prices ranged from down \$0.16 to down \$0.05 from the previous week; HRW prices were down \$0.08 to down \$0.04; DNS prices were down \$0.08 to down \$0.07; and HWW prices were down \$0.08. USDA FAS reported net export sales for 2020/2021 for the period July 31– August 6 at 367,900 MT, down 39 percent week and 45 percent from the previous 4 week average. Increases were to South Korea (117,900 MT), Japan (68,600 MT), the Philippines (66,800 MT), Brazil (63,300 MT), and Italy (33,600 MT). Exports of 468,000 MT, down 22 percent from the prior week and 18 percent from the previous week, were to the Philippines (90,800 MT), Japan (86,600 MT), China (63,000 MT), Nigeria (49,900 MT), and Mexico (42,500 MT).

**Wheat News**—On Monday, USDA’s Farm Service Agency (FSA) announced that organic producers and handlers can apply for federal funds to assist with the cost of receiving and maintaining organic certification through the Organic Certification Cost Share Program (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2019, and Sept. 30, 2020, are due Oct. 31, 2020. OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA’s National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

**CORN**—USDA FAS reported net export sales for 2020/2021 for period July 31-August 6 of 553,100 MT, increases were primarily to Colombia (176,500 MT), Mexico (165,200 MT), unknown destinations (129,700 MT), Peru (50,000 MT), and Taiwan (10,600 MT). Exports of 1,333,100 MT were up 95 percent from the prior week and 43 percent from the previous 4 week average, to China (396,600 MT), Mexico (225,800 MT), Colombia (167,300 MT), Japan (163,900 MT), and South Korea (125,100 MT).

**Ethanol Corn Usage**—DOE’s Energy Information Agency (EIA) reported ethanol production for the week ending August 7 averaged 918 thousand bbls/day –down 1.40 percent from the previous week and down 12.15 percent from last year. Total ethanol production for the week was 6.426 million barrels. Ethanol stocks were 19.75 million bbls on August 7, down 2.93 percent from last week and down 17.31 percent from last year. An estimated 91.99 million bu of corn was used in last week’s production bringing this crop year’s cumulative corn usage for ethanol production at 4.55 billion bu. Corn used needs to average 91.135 million bu per week to meet USDA estimate of 4.85 millions bu for the crop year.

### Futures Market News and Trends—Week Ending August, 13 2020

#### FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, August 13, 2020:

Commodity	September 2020	Week Change	July 2020	Week Change	September 2020	Week Change	December 2020	Week Change
CHI SRW	\$4.96¾	\$0.01¼	\$5.06½	\$0.03	\$5.13½	\$0.01¾	\$5.19	\$0.01¾
KC HRW	\$4.25	\$0.09½	\$4.36	\$0.08¾	\$4.45½	\$0.07¼	\$4.52½	\$0.05¾
MGE DNS	\$4.97	\$0.02½	\$5.11	\$0.00½	\$5.23½	-\$0.01¾	\$5.32¾	-\$0.02¾
CORN	\$3.25¼	\$0.17½	\$3.38¾	\$0.18	\$3.49½	\$0.17	\$3.57	\$0.15¾

**WHEAT FUTURES**—Wheat futures prices are slightly up although exports sales fell. **Wheat futures prices ranged from down \$0.02½ to up \$0.09½ (per bu) under the previous week.**

**CORN FUTURES**—Corn futures prices were up for the week with a large soar in exports. **Corn futures prices ranged from up \$0.15¾ to up \$0.18(per bu) under the previous week.**

**CRUDE OIL FUTURES**— According to the Energy Information Administration, U.S. crude oil production will drop by an average of 990,000 barrels per day, for an average of 11.26 million bpd. That is a far greater loss than the agency expected during its previous forecast made in the July Short Term Energy Outlook. Last month, the EIA had forecast that crude oil production in the United States would fall by an average of 620,000 barrels per day for the full year 2020.

EIA reported U.S. crude oil refinery inputs averaged 14.7 million bbls/day during the week ending August 7, 2020 was 21 thousand bbls/day more than last week’s average. Refineries operated at 81.0% of capacity last week. As of August 7 there was a decrease in Crude Oil stocks of 4.512 million bbls from last week to 510.084 million bbls, over the 5-year average of 447.220 million bbls. Distillate stocks decreased by 2.322 million bbls to a total of 177.655 million bbls, over the 5-year average of 142.885 million bbls; while gasoline stocks decreased by 0.722 million bbls to 247.084 million bbls, over the 228.689 million bbl 5-year average. The national average retail regular gasoline price was \$2.166 per gallon on August 10, \$0.010 lower than last week’s price and \$0.458 under a year ago. The national average retail diesel fuel price was \$2.428 per gallon, up \$0.004 per gallon from last week’s level but down \$0.583 from a year ago.

**NYMEX Crude Oil Futures finished the week ending Thursday, August 13, 2020 to close at \$42.24/bbl (September contract), up \$1.02 for the week.**

## USDA Crop Progress/Condition Report—August 10, 2020

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Winter Wheat Harvested	90%	85%	87%	93%	-	-	-
<b>ID Winter Wheat Harvested</b>	<b>35%</b>	<b>21%</b>	<b>30%</b>	<b>59%</b>	-	-	-
US Spring Wheat Harvested	15%	5%	6%	25%	69%	73%	69%
<b>ID Spring Wheat Harvested</b>	<b>21%</b>	<b>7%</b>	<b>11%</b>	<b>26%</b>	<b>83%</b>	<b>83%</b>	-
US Barley Harvested	16%	5%	12%	32%	79%	81%	74%
<b>ID Barley Harvested</b>	<b>21%</b>	<b>10%</b>	<b>21%</b>	<b>32%</b>	<b>90%</b>	-	-
Corn Silking	97%	92%	87%	95%	71%	72%	57%
Corn Dough	59%	39%	34%	52%			

## USDA U.S. Crop Weather Highlights—August 12, 2020

**West**—Cool conditions in the Northwest and hot conditions in the Desert Southwest. Wildfires across the West. Small grain harvest activities are advancing the Northwest.

**Plains**—Cooler conditions across Montana and the environs. Showers and thunderstorms across eastern portions of Kansas and Oklahoma. Hot, dry weather across the High Plains from Wyoming southward is stressing rangeland and rain fed crops. As of August 12, 42% of rangeland was rated very poor to poor conditions in Texas where temperatures area soaring to 104 degrees in Amarillo and 10 degrees in Borger.

**Corn Belt**—Mostly dry conditions except scattered showers in the upper Great Lakes region. As of August 9, Iowa's topsoil moisture was rated 61% very short to short.

**South**—Dry conditions favor rice and harvesting and other fieldwork in the western Gulf Coast region. Showers and thunderstorms from Mississippi Delta to the Atlantic Coast . Some areas are experiencing flooding and fieldwork delays.

**Outlook for U.S.**— Hot, dry conditions in the western half of the country, extreme heat in the Northwest. Cooler conditions in the eastern half of the U.S. Hot, humid conditions limited to the lower Southeast, including Florida. Showers and thunderstorms in the middle and southern Atlantic States, rainfall totals could reach 1-3 inches. The NWS 6-10 day outlook for August 18-22 calls for cooler conditions across the eastern half of the U.S. Hotter than normal conditions in southern Florida, much of New England, and from the Pacific Coast to the High Plains. Below normal rainfall across most of the country. Wetter than normal in southern portions of California and Texas, parts of the Pacific Northwest, and southern Atlantic States.

## International Crop Weather Highlights—August 11, 2020

**Europe**— Hot, dry conditions in France and Bulgaria lowered summer crop yield prospects. Heat in Spain likely impacted reproductive to filling sunflowers and corn. Showers in northern Europe favored reproductive to filling spring grains. Summer crops conditions is overall favorable in Germany, Poland, and the northern Balkans.

**Middle East**— Sunny skies in Turkey boosted the development of filling corn, cotton, and sunflowers.

**Asia**—Unseasonably light rain in central India, limiting soil moisture for rice and oilseeds. Rain in northeastern China favored reproductive corn and soybeans, warmer conditions likely caused stress. Excessive wetness in southern China for summer crops. A tropical cyclone in the South China Sea brought heavy rainfall across Thailand, Indochina, and the Philippines.

**Australia**— Rainfall in the east and west favored vegetative winter grains and oilseeds. Dry conditions in South Australia and Victoria reduced the water available to winter crops.

**South America**— Corn and cotton harvesting in Brazil advanced as mild conditions boosted wheat growth. Dry conditions in western Argentina delayed late wheat planting, favorable conditions elsewhere.

**Mexico**— Hurricane Hanna brought relief from dryness in northeastern Mexico.

**Canada**— Warm, sunny conditions promoted rapid growth of Prairie spring grains and oilseeds. Warm, showery conditions in Ontario and Quebec, limited moisture remained in some locations as corn and soybeans advanced through reproduction.

**FSU**— Scattered showers and cooler conditions maintained favorable prospects for reproductive corn, soybeans, and sunflowers. Heavy rainfall in Russia eased dryness and improved summer crop yield prospects.

## WASDE World Agriculture Supply and Demand August 12, 2020

**WHEAT:** The outlook for 2020/21 U.S. wheat this month is for increased production offset by lower imports, higher exports, and lower ending stocks. U.S. wheat production is raised 14 million bushels to 1,838 million as increased Hard Red Spring (HRS) and Durum production more than offsets lower winter wheat production as indicated by the NASS August 12 Crop Production report. Imports are lowered 10 million bushels this month to 130 million on the larger HRS supplies. Estimated food use for 2019/20 is lowered fractionally to 962 million bushels, based on the latest NASS Flour Milling Products report. Food use for the 2020/21 market year is lowered 4 million bushels to 960 million as food consumed away from home is expected to remain lower than last year due to the impact of COVID-19. Projected 2020/21 exports are raised 25 million bushels to 975 million on lower production for several key competitors, most notably the EU. With offsetting supply changes and increased use, ending stocks are lowered 17 million bushels to 925 million. If realized, these will be the lowest wheat ending stocks in 6 years. However, the season-average farm price is decreased \$0.10 per bushel to \$4.50 on lower U.S. corn prices and reduced wheat price expectations for the remainder of the market year. Foreign 2020/21 wheat production is lowered 3.7 million tons led by a 4.0-million-ton reduction for the EU, and 1.0-million-ton reductions each for Kazakhstan and Turkey. These changes are partially offset by a 1.5-million-ton production increase for Russia and a 1.1-million-ton increase for Brazil. The production changes are based on updated harvest results and government estimates. Global beginning stocks are raised 3.8 million tons, reflecting several mostly offsetting changes as well as a 3.5 million ton increase for the EU, which is based on multi-year revisions to both use and stocks. Foreign consumption is lowered 1.3 million tons, led by a 1.0-million-ton reduction for EU feed and residual use based on the smaller crop. Global exports are lowered fractionally with several offsetting changes including a 1.5-million-ton cut for the EU, and a 0.8-million-ton reduction for Kazakhstan, both on reduced production. These are offset by a 1.5-million-ton export increase for Russia, based on increased supplies, and a 0.7-million-ton increase for the United States. With global use down more than supplies, world ending stocks are revised 2.0-million-tons higher to a record 316.8 million tons.

**COARSE GRAINS:** This month's 2020/21 U.S. corn outlook is for larger supplies, greater feed and residual use, increased exports, and higher ending stocks. Corn production is forecast at 15.3 billion bushels, up 278 million from the July projection. The season's first survey-based corn yield forecast, at a record 181.8 bushels per acre, is 3.3 bushels higher than last month's trend-based projection. Today's Crop Production report indicates that Illinois, Indiana, Iowa, Missouri, Nebraska, and Ohio are forecast to have yields above a year ago, with record-high yields expected for Minnesota and South Dakota. Feed and residual use is raised based mostly on a larger crop and lower expected prices. Exports are higher reflecting U.S. export competitiveness and relatively low world market prices. With supply rising more than use, ending WASDE-603-2 stocks are raised 108 million bushels to 2.8 billion. The season-average corn price received by producers is lowered 25 cents to \$3.10 per bushel. Sorghum production is forecast 44 million bushels higher with the yield 9.1 bushels per acre above last month's historical median yield. Sorghum exports are raised reflecting an increase in the expected amount of shipments to China. This month's 2020/21 foreign coarse grain outlook is for lower production, slightly higher trade, and reduced stocks relative to last month.

**BARLEY:** The August 12 WASDE report shows the outlook for 2020/21 U.S. barley supplies with an increase for August at 263 million bushels compared to 257 million bushels estimated in the July report. The August report estimates a projected yield of 78.8 bushels/acre with 2.2 million acres expected to be harvested. Projected use is at an estimated 178 million bushels, and projected imports at 7 million bushels. Ending stocks for 2020/21 are projected to be 85 million bushels. The season-average farm price is at \$4.45/bu on updated NASS prices compared to \$4.45/bu in July.

## Grain: World Markets and Trade August 12, 2020

### OVERVIEW FOR 2020/21

**Wheat:** Global production is lowered this month as reductions for the European Union, Kazakhstan, and Turkey more than offset a larger crop in Russia. Global consumption is lowered mainly on feed and residual use for the European Union. Global trade is up, driven by stronger imports for Pakistan. Exports are raised for Russia, Ukraine, and the United States, more than offsetting lower exports for the European Union. The projected U.S. season-average farm price is lowered to \$4.50 per bushel.

### OVERVIEW FOR 2020/21

**Coarse Grains:** Global corn production is forecast up, as larger crops in Mozambique, Ukraine, Malawi and the United States more than offset cuts to Canada, the European Union, and Thailand. Global trade is up from last month with higher imports for the European Union. Global exports are also up on higher volumes from Ukraine, Burma, and the United States. The U.S. season-average farm price is down 25 cents to \$3.10 per bushel.

### OVERVIEW FOR 2019/20

**Coarse Grains:** Global corn production is down as a result of cuts in several African countries, including Angola, Tanzania, and Malawi. Global trade is down from last month as lower imports for the European Union more than offset small increases for several countries. Global exports are little changed as a cut to Ukraine offsets higher trade for the United States, Burma, and Serbia. The U.S. season average farm price remains at \$3.60 per 4 bushel.