

Idaho Grain Market Report, October 16, 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 October 14, 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	6.25		4.95			5.25
Idaho Falls		8.30-8.33	4.70	5.00	5.15	5.00
Blackfoot / Pocatello		7.06	4.70	5.00	5.15	5.00
Grace / Soda Springs	6.50		4.58	4.94	5.21	
Burley / Rupert	6.25-8.00		4.75-5.00	4.82	5.01	4.97
Twin Falls / Buhl Jerome / Wendell	5.00		4.90			
Nampa / Weiser			NA			
Nezperce / Craigmont	4.71		4.95	5.87	5.74	
Lewiston	5.23		5.21	6.13	6.00	
Moscow / Genesee	4.74-4.93		4.98-5.10	5.90-5.97	5.77-5.94	

Prices at Selected Terminal Markets, cash FOB

Wednesday October 14, 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			5.75-5.85	6.80-6.90	6.86-6.96	
Ogden	7.30		4.83	5.19	5.56	5.14
Great Falls	4.60-5.30			5.25-5.34	5.01-5.13	
Minneapolis						

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were unchanged for the week ending October 14. Idaho cash malt barley prices were unchanged for the week. No net barley sales were reported by USDA FAS for the week of October 2-8. Exports of 200 MT to Taiwan.

Barley and Beer Industry News—Recently, the U.S. Grains Council brought together the three largest Mexican breweries with the three largest U.S. barley producing states, Idaho, North Dakota, and Montana, to keep the Mexican breweries up to date on crop reports and updates on research and development for barley and malt. Mexico is the world's largest beer exporter, receiving 350,000 MT of U.S. barley and barley products in 2019/2020. "Just as we have been doing with feed producers, we are taking our buyers to hear directly from U.S. farmers and suppliers about the current year's crop, quality and other information," said Javier Chavez, USGC marketing specialist for Mexico. "In turn, customers can ask questions about market factors, supply and demand issues related to COVID-19 while providing their own outlook on Mexican beer production. By providing market information and education, we are able to better reach out to our end-users. We now have brewers asking for updated information on U.S. barley varieties and U.S. malt suppliers, as well as for help on specific trade projects." The COVID-19 outbreak pretty much shut down Mexican breweries for Spring 2020 beer production. As beer production in Mexico has resumed, U.S. Grains Council has stayed in contact with the largest breweries. The Council has follow-up programs scheduled with each individual brewing company to address specific needs identified through this virtual meeting. "Through these programs, we reaffirm the Council as a source of education, market information and an active partner in enabling trade," Chavez said. "As a result, we have more inquiries than ever from brewers, feed producers and grain importers." The Idaho Barley Commission is a U.S. Grains Council member and partnered with the Council to showcase Idaho barley with virtual Mexican trade teams earlier this month.

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Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mixed for the week ending October 14. SWW prices ranged from down \$0.33 to down \$0.05 from the previous week; HRW prices were down \$0.28 to down \$0.07; DNS prices were down \$0.05 to up \$0.47; and HWW prices were down \$0.03 to up \$0.17. USDA FAS reported net export sales for 2020/2021 for the period October 2-8 at 528,500 MT, were unchanged from the prior week but up 23 percent from the previous 4 week average. Increases were to Mexico (229,000 MT), Japan (62,200 MT), China (57,400 MT), Thailand (55,000 MT), and unknown destinations (47,500 MT). Exports of 506,700 MT, down 28 percent from the prior week and 15 percent from the previous week, were to China (182,400 MT), Nigeria (96,900 MT), Brazil (58,300 MT), the Philippines (54,300 MT), and Mexico (36,200 MT).

Wheat News—Argentina has become the first country to approve commercial cultivation of a genetically-modified strain of wheat that offers tolerance to drought, potentially opening the door to increased yields if it can be successfully brought to market. Argentina's Ministry of Agriculture, Livestock and Fisheries approved the HB4 strain owned by local biotechnology firm Bioceres on Wednesday. Developed by the firm and a team led by Raquel Chan of the National University of the Littoral, the strain is said to have additional drought tolerance, which will increase yields and production predictably. "In production lots and field trials carried out over the last 10 years, HB4 wheat varieties showed yield improvements that averaged 20% under drought, according to the company," a Wednesday statement from Argentina's science and technology ministry said. Genetic modification is a common practice in other bulk agriculture crops, with hundreds of varieties of crops displaying different traits approved for commercial and research use around the world. But altering wheat has proven to be a tougher task given consumer pushback as well as the complexity of the grain's genome, which is three times the size of a mammal's and was only fully sequenced in 2017. The crop has instead relied on years of painstaking conventional crossbreeding to introduce traits such as drought resistance and shorter stems for increasing yields.

CORN—USDA FAS reported net export sales for 2020/2021 for period October 2-8 of 655,200 MT, increases were primarily to Mexico (203,800 MT), Colombia (184,200 MT), Japan (175,800 MT), China (140,700 MT), and Costa Rica (47,800 MT). Exports of 815,100 MT were to Mexico (306,500 MT), China (269,700 MT), South Korea (58,000 MT), Honduras (49,100 MT), and Colombia (43,200 MT).

Ethanol Corn Usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending September 25 averaged 881 thousand bbls/day –down 2.76 percent from the previous week and down 8.04 percent from last year. Total ethanol production for the week was 6.167 million barrels. Ethanol stocks were 19.691 million bbls on September 25, down 1.53 percent from last week and down 15.19 percent from last year. An estimated 87.42 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 322.08 billion bu. Corn used needs to average 98.369 million bu per week to meet USDA estimate of 5.1 millions bu for the crop year.

Futures Market News and Trends—Week Ending October 15, 2020

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, October 15, 2020:

Commodity	December 2020	Week Change	March 2021	Week Change	May 2021	Week Change	July 2021	Week Change
CHI SRW	\$6.18 ¹ / ₄	\$0.24 ¹ / ₂	\$6.19 ¹ / ₂	\$0.21 ³ / ₄	\$6.18 ¹ / ₄	\$0.18 ¹ / ₂	\$6.06 ³ / ₄	\$0.12 ¹ / ₂
KC HRW	\$5.58	\$0.22 ¹ / ₂	\$5.66 ¹ / ₄	\$0.21 ³ / ₄	\$5.72 ¹ / ₂	\$0.21 ³ / ₄	\$5.76 ¹ / ₂	\$0.21 ³ / ₄
MGE DNS	\$5.58 ³ / ₄	\$0.15	\$5.71 ¹ / ₂	\$0.14	\$5.79 ¹ / ₄	\$0.12 ¹ / ₂	\$5.86 ¹ / ₂	\$0.10 ³ / ₄
CORN	\$4.03 ³ / ₄	\$0.08 ³ / ₄	\$4.08	\$0.05 ³ / ₄	\$4.09 ¹ / ₄	\$0.02 ³ / ₄	\$4.09 ¹ / ₄	\$0.00 ¹ / ₄

WHEAT FUTURES—Wheat futures soared with hopeful expectations of a coronavirus vaccine as exports were unchanged. **Wheat futures prices ranged from up \$0.10³/₄ to up \$0.24¹/₂ (per bu) over the previous week.**

CORN FUTURES—Corn futures prices rose due to optimism for a coronavirus vaccine. **Corn futures prices ranged from up \$0.00¹/₄ to up \$0.08³/₄ (per bu) over the previous week.**

CRUDE OIL FUTURES—U.S. West Texas Intermediate and international-benchmark Brent crude oil futures traded lower on Thursday after giving up earlier gains, as a resurgence in COVID 19 infections across the globe underpinned concerns over economic growth and a recovery in fuel demand.

EIA reported U.S. crude oil refinery inputs averaged 13.6 million bbls/day during the week ending October 9, 2020 was 277 thousand bbls/day more than last week's average. Refineries operated at 75.1% of capacity last week. As of October 9 there was a decrease in Crude Oil stocks of 1.980 million bbls from last week to 492.426 million bbls, over the 5-year average of 437.941 million bbls. Distillate stocks decreased by 3.184 million bbls to a total of 172.758 million bbls, over the 5-year average of 142.541 million bbls; while gasoline stocks increased by 0.683 million bbls to 228.182 million bbls, over the 227.092 million bbl 5-year average. The national average retail regular gasoline price was \$2.167 per gallon on October 12, down \$0.005 from last week's price and \$0.462 under a year ago. The national average retail diesel fuel price was \$2.395 per gallon, up \$0.008 per gallon from last week's level but down \$0.656 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, October 15, 2020 to close at \$40.96/bbl (November contract), up \$0.36 for the week.

USDA Crop Progress/Condition Report—October 13, 2020

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Winter Wheat Planted	68%	52%	61%	61%	-	-	-
ID Winter Wheat Planted	79%	59%	68%	77%	-	-	-
US Winter Wheat Emerged	41%	24%	37%	35%	-	-	-
ID Winter Wheat Emerged	39%	23%	36%	43%	-	-	-
Corn Mature	94%	87%	69%	87%	61%	62%	55%
Corn Harvested	41%	25%	20%	32%			

USDA U.S. Crop Weather Highlights—October 15, 2020

West—Warm conditions in California and the Desert Southwest. Chilly conditions in the northern Rockies and northern Intermountain region. Elevated wildfire threats in parts of California due to dry, windy weather.

Plains—Limited moisture for winter wheat germination and establishment. As of October 11, topsoil moisture was rated very short to short 59% in Texas to 87% in Colorado.

Corn Belt—Scattered showers from Michigan to Missouri providing a boost in moisture for recently planted winter wheat. Cold, windy conditions in the upper Midwest. Morning temperatures fell below 30 degrees in Minnesota and the eastern Dakotas.

South—Some areas hit by Hurricane Delta are experiencing delays in fieldwork because of heavy rainfall. As of October 11 Louisiana led the country with topsoil moisture rated as 61% surplus, as major flooding in parts of the Calcasieu River basin.

Outlook for U.S.— Cold conditions from the interior Northwest into the upper Midwest. Temperatures below 20 degrees in the northern sections of the Rockies and Plains. Warm conditions in the Southwest, elevating the wildfire concerns. Dry conditions from California to the southern High Plains. Dry conditions in the Southeast. Rainfall and snow showers across the northern U.S. Rain totals could reach 1-3 inches in England, the Pacific Northwest, and the northern Rockies. The NWS 6-10 day weather outlook for October 20-24 calls for cooler temperatures from the Pacific Northwest to the northern and central Plains and upper Midwest. Warmer conditions across the southern and eastern U.S. Wetter conditions across most of the country. Drier conditions from the Pacific Coast into the Southwest.

International Crop Weather Highlights—October 13, 2020

Europe— Rainfall boosted soil moisture for winter crop establishment across most of the continent. Wetness in England, France, and the Balkans slowed planting and other fieldwork. Heavy rainfall through central Greece caused damage to cotton.

Middle East—Rainfall in western Turkey. Dry conditions on the Anatolian Plateau left dry soil for winter grain planting and establishment.

Asia—Dry conditions in the north and west, promoting maturation and harvesting of kharif crops. Dry conditions promoted summer crop harvesting across northeastern China and the North China Plain. Rainfall in the Yangtze Valley slowed fieldwork. Localized flooding in southeastern Japan. Heavy rainfall in central Vietnam was beneficial to rice in other parts of Indochina and northeastern Thailand.

Australia— Heavy rainfall in the southeast favored reproductive to filling winter grains and oilseeds. Dry conditions in the west was unfavorable for the wheat belt. Dry conditions in the northeast reduced topsoil moisture ahead of summer crops sowing.

South America— Dry conditions in Argentina limited moisture for winter grain development and summer crops germination. Rainfall favored immature wheat and emerging summer crops in southern Brazil.

Mexico— Hurricane Delta brought rainfall to the Yucatan peninsula. Dry conditions elsewhere.

Canada— Spring crop harvest made good progress throughout the Prairies.

FSU—Rainfall eased drought across the central and western Ukraine favoring winter wheat, barley, and rapeseed establishment. Extreme drought in eastern Ukraine and western Russia reduced prospects for winter wheat establishment.

WASDE- World Agricultural Supply and Demand Estimates Report—October 9, 2020

WHEAT: The outlook for 2020/21 U.S. wheat this month is for reduced supplies, higher domestic use, unchanged exports, and lower ending stocks. Supplies are reduced by 32 million bushels, on the combination of lower beginning stocks and production as indicated by the NASS Grains Stocks and Small Grains Annual Summary reports, respectively. Partly offsetting are lower imports, with all the reduction for Durum. Domestic use is raised 10 million bushels, all on higher feed and residual use. The NASS Grain Stocks report indicated greater first quarter disappearance than previously estimated. Exports remain at 975 million bushels due to offsetting by-class changes. Projected ending stocks are reduced by 42 million bushels to 883 million, which would be the lowest ending stocks in six years. The season-average farm price is raised \$0.20 per bushel to \$4.70 on reported NASS prices to date and expectations for futures and cash prices for the remainder of the marketing year.

The 2020/21 global wheat outlook is for larger supplies, increased consumption, greater exports, and higher stocks. Supplies are raised 2.2 million tons to 1,072.5 million, mostly on Russia's production increasing 5.0 million tons to 83.0 million, which is the second-largest crop on record, following 2017/18. The increased production is based on updated harvest results as reported by Russia's Ministry of Agriculture, which imply record-high spring wheat yields. Russia's increased production more than offsets reductions in Ukraine, Canada, Argentina, and the United States. Ukraine's production is lowered 1.5 million tons to 25.5 million, based on Ukraine's State Statistics Service estimates. Canada's production is reduced 1.0 million tons to 35.0 million, primarily on the updated Statistics Canada forecast issued September 14. Argentina's production is lowered 0.5 million tons to 19.0 million on continued dry conditions in some regions. World consumption is increased fractionally to 751.0 million tons, primarily on higher feed and residual usage for Russia and greater food, seed, and industrial use in Pakistan and EU more than offsetting lower feed and residual use for Ukraine and Canada. Projected 2020/21 global trade is raised 0.5 million tons to 189.9 million on higher exports for Russia more than offsetting reductions for Argentina and Ukraine. Russia's exports are raised 1.5 million tons to 39.0 million, which are the second highest on record. The largest import changes this month are for China and Pakistan, each raised 0.5 million tons. China's imports are raised on a strong early pace and are now 7.5 million tons, making China the third largest global importer for 2020/21. Pakistan imports are now 1.5 million tons, raising stocks which have been relatively tight recently. Projected 2020/21 world ending stocks are raised 2.1 million tons to 321.5 million to a new record, with Russia accounting for most of the increase this month.

COARSE GRAINS: This month's 2020/21 U.S. corn outlook is for lower production, reduced corn used for ethanol and feed and residual use, and smaller ending stocks. Corn production is forecast at 14.722 billion bushels, down 178 million with a reduction in harvested area and a slight decline in yield to 178.4 bushels per acre. Corn supplies are forecast down sharply from last month, on a smaller crop and lower beginning stocks. Corn used for ethanol is down 50 million bushels, based on weekly ethanol production data as reported by the Energy Information Administration into early October. Projected feed and residual use is lowered 50 million bushels WASDE-605-2 based on a reduced crop and higher expected prices. Corn ending stocks for 2020/21 are lowered 336 million bushels. The corn price is raised 10 cents to \$3.60 per bushel. Global coarse grain production for 2020/21 is forecast lower to 1,458.8 million tons. The 2020/21 foreign coarse grain outlook is for higher production, increased use, and greater stocks relative to last month. Foreign corn production is forecast modestly higher with increases for several countries, including Serbia, Ghana, Kenya, Tanzania, Burkina, and Mali more than offsetting declines for Ukraine and the EU. The projected corn yield for Ukraine is lowered based on reported harvest results to date.

BARLEY: The October 9 WASDE report shows the outlook for 2020/21 U.S. barley supplies down at 253 million bushels compared to the estimated at 263 in the September report. The October report estimates a projected yield of 77.5 bushels/acre with 2.1 million acres expected to be harvested. Projected use is at an estimated 174 million bushels, and projected imports at 7 million bushels. Ending stocks for 2020/21 are projected to be 79 million bushels. The season-average farm price is at \$4.55/bu on updated NASS prices compared to \$4.45/bu in September.

3 Month Temperature and Precipitation Outlook for Nov-Dec-Jan —October 15, 2020

