

Idaho Grain Market Report, October 22, 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 21, 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 | 6.25-6.75 | | 4.80-5.12 | 5.50 | 5.60 | 5.50 |
| Idaho Falls | | 8.30-8.33 | | | | |
| Blackfoot / Pocatello | | 7.06 | | | | |
| Grace / Soda Springs | 6.50 | | 4.95 | 5.47 | 5.55 | |
| Burley / Rupert | 6.25-8.00 | | 4.91-5.25 | 5.45 | 5.35 | 5.45 |
| Twin Falls / Buhl Jerome / Wendell | 5.00 | | 5.00 | | | |
| Nampa / Weiser | | | NA | | | |
| Nezperce / Craigmont | 4.71 | | 5.25 | 6.27 | 6.16 | |
| Lewiston | 5.23 | | 5.51 | 6.53 | 6.42 | |
| Moscow / Genesee | 4.74-4.93 | | 5.28-5.45 | 6.30-6.33 | 6.19-6.32 | |

Prices at Selected Terminal Markets, cash FOB
 Wednesday October 21, 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 | | | 5.85-6.20 | 7.10-7.24 | 7.13-7.23 | |
| Ogden | 7.30 | | 5.20 | 5.72 | 5.95 | 5.67 |
| 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 21. Idaho cash malt barley prices were unchanged for the week. No net barley sales were reported by USDA FAS for the week of October 9-15. Exports of 200 MT to South Korea.

Barley and Beer Industry News—Statistics Canada reduced its barley crop estimate slightly to 10.4 mln vs. 10.55 mln tonnes last year. Private estimates are as high as 11 mln tonnes, with an export surplus of 3.0 mln, H. M. Gauger GmbH reported earlier in October. The harvest went smoothly, and the barley quality is good, with a large percentage of selectable malting barley. If almost 2 mln tonnes are already sold to China, the export target looks realistic. However, port capacity is large, but limited, and wheat exports from Pacific ports are more profitable than barley. Meanwhile, reports of an expected rebound in Australian agriculture output continue to emerge, with Rabobank reporting today it expects total winter crop production to rebound 63% year-on-year and 16% above the five-year average. "After three successive years of below-average production due to drought in many parts of the country, Australia's long-awaited grain production recovery is here," Rabobank said. Barley production was called 23% higher year-on-year at 11 million mt, a figure 19% below the record. Wheat production was estimated at 28.8 million mt, a massive 91% recovery from last year's crop and just 9% below the 2016/17 record. Exports are also expected to jump with the increased output, with total volumes jumping 93% from last year as wheat production was estimated at 19.8 million mt, and barley at 5.6 million mt. "The last time Australia had export volumes in these ranges, the Australian dollar was 10 US cents higher and global grain prices were around 35 per cent lower than our current forecasts for the year ahead," senior grains analyst Cheryl Kalisch Gordon said.

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Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mostly up for the week ending October 21. SSW prices ranged from down \$0.13 to up \$0.37 from the previous week; HRW prices were up \$0.29 to up \$0.63; DNS prices were up \$0.34 to up \$0.45; and HWW prices were up \$0.10 to up \$0.48. USDA FAS reported net export sales for 2020/2021 for the period October 9-15 at 367,500 MT, were down 31% from the prior week and 23% percent from the previous 4 week average. Increases were to Mexico (192,800 MT), Nigeria (60,600 MT), the Philippines (60,000 MT), Guatemala (38,700 MT), and Japan (34,600 MT). Exports of 192,100 MT, down 62 percent from the prior week and 67 percent from the previous week, were to China (55,300 MT), Malaysia (40,800 MT), Japan (33,000 MT), Venezuela (25,100 MT), and Mexico (22,900 MT).

Wheat News—Agricultural production in Idaho has increased for three straight years, after declining in 2015 and 2016. According to USDA's National Agricultural Statistics Service, the total value of Idaho's ag production in 2019 was \$8.25 billion, a 6 percent increase compared with 2018's \$7.75 billion total. The total value of crop production in Idaho was \$3.45 billion in 2019, up 4 percent over 2018, and the total value of livestock production in Idaho was \$4.8 billion, up 9 percent. The state's top five farm commodities – milk, cattle, potatoes, hay and wheat – had a combined production value of \$6.61 billion in 2019, which represented 80 percent of the state's total value of ag production. Idaho ranked No. 1 in the United States in four ag commodities last year (potatoes, barley, trout and peppermint oil), No. 2 in two commodities (sugar beets and hops), No. 3 in two commodities (alfalfa hay and milk), No. 4 in three commodities (dry onions, spring wheat and lentils) and No. 5 in two commodities (dry edible peas and haylage).

CORN—USDA FAS reported net export sales for 2020/2021 for period October 9-15 of 1,831,600 MT, increases were primarily to Japan (490,100 MT), China (433,500 MT), Mexico (377,400 MT), Taiwan (179,800 MT), and Israel (157,500 MT). Exports of 898,000 MT were to China (364,000 MT), Mexico (168,300 MT), Japan (165,900 MT), Saudi Arabia (70,200 MT), and Colombia (55,000 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 22, 2020

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, October 22, 2020:

| Commodity | December 2020 | Week Change | March 2021 | Week Change | May 2021 | Week Change | July 2021 | Week Change |
|-----------|---------------|-------------|------------|-------------|----------|-------------|-----------|-------------|
| CHI SRW | \$6.22¾ | -\$0.02½ | \$6.23¾ | \$0.00¼ | \$6.22¾ | \$0.01¾ | \$6.13 | \$0.04 |
| KC HRW | \$5.60¼ | \$0.01½ | \$5.68 | \$0.01¾ | \$5.74 | \$0.02 | \$5.77¾ | \$0.02¼ |
| MGE DNS | \$5.74½ | \$0.14½ | \$5.82¾ | \$0.11¼ | \$5.87¾ | \$0.10¼ | \$5.92¼ | \$0.07¾ |
| CORN | \$4.16¼ | \$0.14¼ | \$4.18¼ | \$0.11¾ | \$4.19¾ | \$0.11¼ | \$4.19¼ | \$0.10½ |

WHEAT FUTURES—Wheat futures soared and then fell as exports plummeted. **Wheat futures prices ranged from down \$0.02½ to up \$0.14½ (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 \$0.10½ to up \$0.14¼ (per bu) over the previous week.**

CRUDE OIL FUTURES—For the week of October 16, the EIA reported an inventory increase of 1.9 million barrels, which compared with a draw of 1.6 million barrels that helped stabilize prices temporarily.

EIA reported U.S. crude oil refinery inputs averaged 13. million bbls/day during the week ending October 16, 2020 was 0.6 million bbls/day more than last week's average. Refineries operated at 72.9% 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 \$2.150 per gallon on October 19, down \$0.017 from last week's price and \$0.488 under a year ago. The national average retail diesel fuel price was \$2.388 per gallon, down \$0.007 per gallon from last week's level and down \$0.662 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, October 22, 2020 to close at \$40.64/bbl (November contract), down \$0.24 for the week.

USDA Crop Progress/Condition Report—October 19, 2020

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition Rating % Good/Excellent | Previous Week | Previous Year |
|--------------------------------|------------|---------------|---------------|----------------|-----------------------------------|---------------|---------------|
| US Winter Wheat Planted | 77% | 68% | 74% | 72% | - | - | - |
| ID Winter Wheat Planted | 91% | 79% | 80% | 87% | - | - | - |
| US Winter Wheat Emerged | 51% | 41% | 50% | 48% | - | - | - |
| ID Winter Wheat Emerged | 51% | 399% | 47% | 57% | - | - | - |
| Corn Mature | 97% | 94% | 82% | 94% | | | |
| Corn Harvested | 60% | 41% | 28% | 43% | 61% | 61% | 56% |

USDA U.S. Crop Weather Highlights—October 22, 2020

West—Warm conditions from California to the southern Rockies. Heightened wildfire concerns. Chilly conditions in the Northwest, where winter wheat planting ranged from 62% complete in Oregon to 91% complete in Idaho as of October 18.

Plains—Snow in Montana and the Dakotas is slowing fieldwork but providing beneficial moisture and insulation for emerging winter wheat. Warm, windy conditions across the southern Plains is stressing winter wheat. As of October 20, the U.S. Drought Monitor shows that 48% of the U.S. winter wheat production areas are experiencing drought.

Corn Belt—Snow in the upper Midwest, mainly from the eastern Dakotas into central Minnesota. Rain from Iowa to Michigan. As of October 18, 52% of the U.S. corn and 69% of soybeans were harvested during the last 4 week period.

South—Dry conditions boosted winter wheat planting and summer crop harvesting. Showers in the southern Atlantic region.

Outlook for U.S.— A storm system moving the Northwest. Snow across the northern Plains and upper Midwest. Snow across the central and southern Rockies. Cold air across the northwestern and north-central U.S. moving southward. Temperatures could drop to 20 degrees or below across northern sections of the Rockies and High Plains and as far south as the northern panhandle of Texas. Cold air west of the Cascades and Sierra Nevada. Parts of California may continue to have elevated wildfire threats due to gusty winds. Heavy rains possible from the southeastern Plains into the lower Midwest. Rainfall totals could reach 1-3 inches. The NWS 6-10 day weather outlook of October 27-31 calls for below normal temperatures across most of the country. Warmer than normal conditions in the Southeast and a few areas along the Pacific Coast. Below normal moisture from the Pacific Coast to the northern Plains and upper Midwest. Wetter than normal conditions across the South, East, lower Midwest, and central and southern Plains.

International Crop Weather Highlights—October 20, 2020

Europe— Rainfall boosted soil moisture in western Europe for winter crop establishment. Short term dryness in Spain. Heavy rainfall halted summer crop harvesting and later winter crop sowing in eastern Europe. Heavy rainfall reduced cotton quality in Greece.

Middle East—Dry, dry conditions favored fieldwork in Turkey but left soil dry for winter grain planting and establishment on the Anatolian Plateau.

Asia—Dry conditions in the northern half of India. Showers in the southern half of India favoring immature kharif crops. Scattered showers in southern China delaying fieldwork but maintaining good soil moisture for wheat and rapeseed establishment. Showers in northeastern Thailand favoring rice. Flooding in Vietnam.

Australia— Unfavorable, dry conditions in the west hampered immature winter crop development. Rainfall in the southeast maintained good to excellent wheat, barley, and canola prospects. Rainfall in the northeast boosted soil moisture for summer crops planting.

South America— Rainfall in Brazil boosted soil moisture for soybean planting. More rain is needed. Warm, dry conditions in Argentina stressed winter grains and limited summer grain and oilseed planting.

Mexico— Rainfall boosted soil moisture for immature summer crops.

FSU—Rainfall eased drought in central Ukraine and boosted moisture reserves in western areas of the country. Extreme drought in eastern Ukraine and western Russia reduced prospects for winter wheat establishment. Many farmers are planting late or not at all.

U.S Drought Monitor—October 22, 2020

Northeast Precipitation exceeding 2 inches fell over most of New England this week, following a wet end to the previous week, thus improving short- and long-term precipitation deficits there. As a result, drought intensity and coverage lessened over much of New England. Starkly drier weather occurred in eastern Pennsylvania and West Virginia.

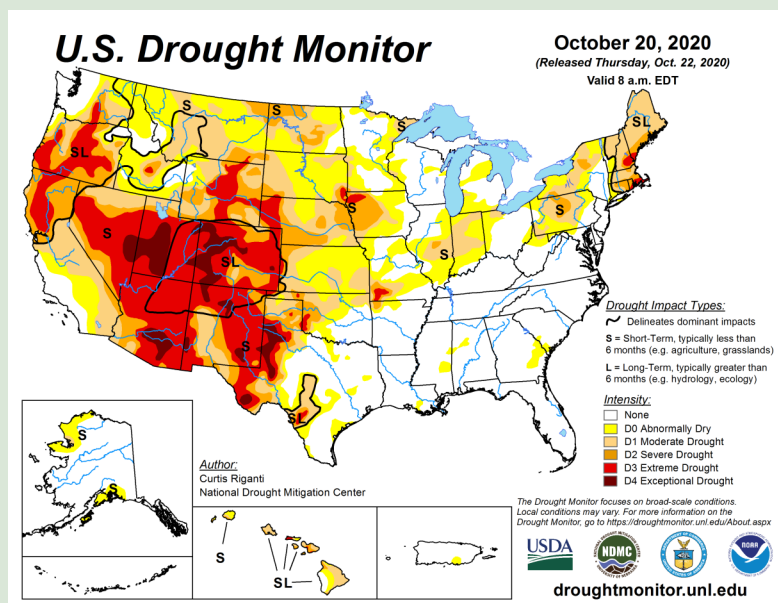
Southeast Drought-free conditions continued for another week in the Southeast, although the weather was much drier this week outside of South Florida.

Midwest Widespread precipitation also fell from southern Missouri through the Ohio River Valley this week amid cooler than normal temperatures. Temperatures ranged from 3 to 6 degrees cooler than normal in the Ohio River Valley and in Missouri. In the Upper Midwest, even cooler conditions prevailed, as anomalies from 6 to 12 degrees below normal were widespread in Wisconsin, Iowa, Minnesota, and the Michigan Upper Peninsula. The precipitation amounts in the southern part of the Midwest region ranged from half an inch to locally over 2 inches.

South Except for northwest Tennessee and adjacent northeast Arkansas, dry weather occurred in the South this week. Near-normal temperatures occurred in most of Oklahoma, northern Texas, Arkansas, Louisiana, Mississippi, and Tennessee, while temperatures ranging from 3 to 9 degrees warmer than normal took place in southern Texas. Drought conditions generally worsened in the region, in particular in northwest Arkansas, Oklahoma, and central and western Texas. In the southern high plains, the lack of precipitation this week occurred in a region that has had very high evaporative demand over the last few months, leading to further loss of soil moisture in areas where winter wheat is planted

High Plains Weather in the High Plains region was generally cooler than normal this week. Temperature anomalies ranged from normal to 6 degrees below normal in Kansas to 6 to 15 degrees cooler than normal in North Dakota. Areas of light to moderate precipitation were scattered about Nebraska, South Dakota, North Dakota, and northeast Wyoming, though amounts exceeding an inch were uncommon outside of the Black Hills. Degradation of drought conditions in the region was widespread this week south of Interstate 80, where dry weather combined with recent warm, dry, and windy conditions, leading to continued loss of near surface moisture.

West In the West this week, widespread precipitation fell in some of the mountainous areas of western Washington and Oregon, Idaho, and Montana. In some locations in western Washington, western Oregon, and northwest Montana, the recent precipitation was enough to improve drought conditions, due to lessened precipitation deficits. To the south, however, widespread expansion of extreme and exceptional drought occurred in Utah, Arizona, Colorado, and New Mexico. To the west of the Rocky Mountains, temperatures were warmer than normal this week; readings of 9 degrees or more above normal were found in parts of California and Arizona.



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

