

# Idaho Grain Market Report, December 10, 2020—NEW CROP PRICES

Published weekly by the Idaho Barley Commission  
 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 December 9, 2020. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED  48 lbs or better</b>	<b>MALTING  Open Market Malting</b>	<b>Wheat (bu.) Milling  #1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Rexburg / Ririe	6.00-7.00		4.88-5.01	5.48	5.68	5.30-5.48
Idaho Falls		8.30-8.33				
Blackfoot / Pocatello		7.06				
Grace / Soda Springs	6.75		4.60	5.13	5.20	
Burley / Rupert	7.00		4.68	5.12	5.63	5.12
Twin Falls / Buhl Jerome / Wendell	5.00-8.00		4.75-4.95			
Nampa / Weiser			NA			
Nezperce / Craigmont	4.96		5.55	4.76	5.28	
Lewiston	5.48		5.81	5.02	5.54	
Moscow / Genesee	4.99-5.43		5.58-5.70	4.79-6.09	5.31-5.91	

## Prices at Selected Terminal Markets, cash FOB

Wednesday December 9, 2020. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>#2 Feed Barley 46 lbs. --</b>	<b>Malting Barley</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			6.25-6.40	6.61-6.81	6.37-6.55	
Ogden	7.30		4.90	5.53	5.65	5.48
Great Falls	4.60-5.30			5.48-5.70	5.22-5.36	
Minneapolis						

## Market News and Trends This Week

**BARLEY**—Idaho cash feed barley prices were unchanged to up \$0.25 for the week ending December 9. Idaho cash malt barley prices were unchanged for the week. No net barley sales were reported by USDA FAS for the week of November 27– December 3. Exports of 1,500 MT were to Japan for the week.

**Barley and Beer Industry News**—Despite scenes of consumers bulk-buying alcohol at the start of the pandemic, Covid will lead to a global reduction in alcohol consumption by 8% in 2020, according to the IWSR, the leading source of data and analysis on the global beverage alcohol market. The IWSR forecast covers 20 key markets (including the global travel retail channel), that drive over three quarters of global alcohol volumes, and predicts that consumption of alcohol is set to fall by 8% in 2020 across the 19 countries assessed. Most of these losses come as a result of government bans and lockdowns. Spain is forecast to see a 16% reduction in alcohol consumption as 70 percent of the country's nationwide consumption takes place on-premise. In Australia, however, alcohol consumption is weighted in favour of at-home drinking, meaning it was able to bear the brunt of on-trade closures without too much damage. In total, the IWSR predicts that alcohol consumption volumes for Australia will fall by just 1% in 2020. Almost all of the 19 countries assessed are predicted to see overall losses in national consumption volumes, but in the US and Canada rates have risen by 2% in the past year. Much of this growth within the US has been driven by the rising popularity of hard seltzers, as lower strength beverages become more sought after. Meanwhile, the movement towards wellness and moderation has seen the low- and no-alcohol sector continue to grow. Although the growth of low-spirit beverages has waned due to on-premise closures, low ABV beers are continuing to gain popularity across a number of markets. Despite huge initial losses in the Chinese alcohol market, the return of on-premise trade and the strength of their e-commerce sector has seen the market bounce back. Market losses in China are estimated at 9% by the end of this year, a major improvement on earlier predictions, suggesting that other markets may too remain hopeful for a strong recovery once new vaccines come into play.

*Published by the Idaho Barley Commission (IBC) weekly except for weeks with major holidays. Information included is from reliable sources and every effort is made to ensure accuracy on the date of publication, but no independent review has been made and we do not guarantee completeness or accuracy. Use of this information is at your own discretion and risk. Editors: Laura Wilder, IBC Executive Director, lwilder@barley.idaho.gov and Wren Hernandez, IBC Office Manager, whernandez@barley.idaho.gov. Office Phone: 208-334-2090.*

## Market News and Trends This Week—continued

**WHEAT**—Idaho cash wheat prices were mixed for the week ending December 9. SSW prices ranged from down \$0.05 to up \$0.17 from the previous week; HRW prices were down \$0.08 to up \$0.17; DNS prices were down \$0.13 to up \$0.27; and HWW prices were down \$0.08 to up \$0.20. USDA FAS reported net export sales for 2020/2021 for the period November 27– December 3 at 616,500 MT, were up 38 percent from the prior week and 42 percent from the previous 4 week average. Increases were to Mexico (107,300 MT), unknown destinations (104,000 MT), Japan (88,700 MT), Thailand (86,500 MT) and China (68,300 MT). Exports of 552,600 MT, up 22 percent from the prior week and 56 percent from the previous 4 week average, were to Japan (90,700 MT), Mexico (73,300 MT), China (68,300 MT), the Philippines (66,000 MT), and Thailand (54,800 MT).

**Wheat News**— According to Agricensus, wheat prices fell in the immediate aftermath of the USDA's monthly WASDE report despite the anticipated adjustments in Australia's output coming in below local forecasters' expectations and cuts to Argentina's drought-hit crop failing to materialize. Having traded to a one-and-a-half week high during trading Thursday as fund interest in the market continued to pick up, the March SRW price slipped 6 cents in a matter of seconds after the report's release to a low of \$5.905/bu. Global production was lifted just over 1 million mt to 773.7 million mt, with exports raised 3 million mt to 193.7 million mt, and end stocks cut 4 million mt to 316.5 million mt. While the figures were not especially bearish, the headline fundamentals of the global wheat market continued to show a well-supplied market. "Projected 2020/21 world ending stocks are lowered 3.9 million tons to 316.5 million but remain record high with China and India holding 51 and 10 percent of the total, respectively," the USDA said. That was the opposite of what analysts had expected, with an average of an Agricensus poll from earlier in the week lifting global ending stocks 2 million mt to 322.3 million mt. The bulk of this month's output lift came from Australia, in-line with trade expectations, with output raised 1.5 million mt to 30 million mt. With harvest complete in Russia, output estimates were lifted 500,000 mt to 84 million mt, with exports raised similarly to 40 million mt despite continued uncertainty over changes to government export policy.

**CORN**—USDA FAS reported net export sales for 2020/2021 for period November 27– December 3 of 1,362,200 MT, increases were primarily to unknown destinations (422,200 MT), Mexico (408,100 MT), China (141,200 MT), Chile (90,000 MT), and South Korea (66,600 MT). Exports of 715,000 MT were to China (271,300 MT), Mexico (261,200 MT), Saudi Arabia (71,500 MT), Costa Rica (58,900 MT), and Taiwan (21,900 MT).

**Ethanol Corn Usage**—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending December 4 averaged 9991 thousand bbls/day –up 1.75 percent from the previous week and down 7.56 percent from last year. Total ethanol production for the week was 6.937 million barrels. Ethanol stocks were 22.083 million bbls on December 4, up 3.97 percent from last week and up 1.23 percent from last year. An estimated 100.12 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 1.3 billion bu. Corn used needs to average 97.347 million bu per week to meet USDA estimate of 5.05 millions bu for the crop year.

## Futures Market News and Trends—Week Ending December 10, 2020

### FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, December 10, 2020:

Commodity	December 2020	Week Change	March 2021	Week Change	May 2021	Week Change	July 2021	Week Change
CHI SRW	\$5.90 <sup>1</sup> / <sub>4</sub>	\$0.23 <sup>3</sup> / <sub>4</sub>	\$5.96 <sup>1</sup> / <sub>2</sub>	\$0.21	\$5.97 <sup>1</sup> / <sub>4</sub>	\$0.18 <sup>1</sup> / <sub>2</sub>	\$5.95	\$0.15 <sup>1</sup> / <sub>2</sub>
KC HRW	\$5.62 <sup>3</sup> / <sub>4</sub>	\$0.21 <sup>1</sup> / <sub>2</sub>	\$5.63 <sup>1</sup> / <sub>2</sub>	\$0.20 <sup>3</sup> / <sub>4</sub>	\$5.68	\$0.19	\$5.70 <sup>1</sup> / <sub>4</sub>	\$0.12
MGE DNS	\$5.48	\$0.12	\$5.62 <sup>1</sup> / <sub>2</sub>	\$0.12	\$5.70 <sup>3</sup> / <sub>4</sub>	\$0.12	\$5.78 <sup>3</sup> / <sub>4</sub>	\$0.13 <sup>1</sup> / <sub>4</sub>
CORN	\$4.20 <sup>1</sup> / <sub>4</sub>	\$0.03 <sup>1</sup> / <sub>4</sub>	\$4.21 <sup>1</sup> / <sub>4</sub>	\$0.00 <sup>3</sup> / <sub>4</sub>	\$4.24 <sup>1</sup> / <sub>4</sub>	\$0.01	\$4.25 <sup>3</sup> / <sub>4</sub>	\$0.01 <sup>3</sup> / <sub>4</sub>

**WHEAT FUTURES**—Wheat futures up on a renewed hope for a new stimulus package. **Wheat futures prices ranged from up \$0.12 to up \$0.23<sup>3</sup>/<sub>4</sub> (per bu) over the previous week.**

**CORN FUTURES**—Corn futures prices up on a renewed hope for a new stimulus package. **Corn futures prices ranged from up \$0.01 to up \$0.03<sup>1</sup>/<sub>4</sub> (per bu) over the previous week.**

**CRUDE OIL FUTURES**—U.S. West Texas Intermediate crude oil futures rose to their highest level since March on Friday on renewed hopes for a U.S. stimulus deal and after major oil producers agreed to increase output by a modest 500,000 barrels per day (bpd) from January.

EIA reported U.S. crude oil refinery inputs averaged 14.4 million bbls/day during the week ending December 4, 2020 was 424 thousand bbls/day more than last week's average. Refineries operated at 79.9% of capacity last week. As of December 4 there was an increase in Crude Oil stocks of 15.189 million bbls from last week to 503.231 million bbls, over the 5-year average of 454.881 million bbls. Distillate stocks increased by 5.222 million bbls to a total of 151.092 million bbls, over the 5-year average of 136.742 million bbls; while gasoline stocks increased by 4.221 million bbls to 237.859 million bbls, over the 227.816 million bbl 5-year average. The national average retail regular gasoline price was \$2.156 per gallon on December 7, up \$0.036 from last week's price but \$0.455 under a year ago. The national average retail diesel fuel price was \$2.526 per gallon, up \$0.024 per gallon from last week's level but down \$0.523 from a year ago.

**NYMEX Crude Oil Futures finished the week ending Thursday, December 10, 2020 to close at \$46.78/ bbl (January contract), up \$0.52 for the week.**

## U.S Drought Monitor—December 3, 2020

**Northeast:** On this week's map, areas of the region—including Maine, New Hampshire, Massachusetts, Rhode Island, and northern Vermont—saw widespread 1-category improvements in response to this week's Nor'easter that brought heavy rains and snowfall to the region.

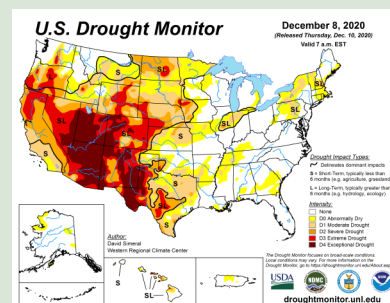
**Southeast:** The region remained drought free.

**South:** Areas of drought intensified and expanded in the Panhandle and central Texas where both long and short-term precipitation shortfalls exist. In these areas, 6-month precipitation deficits ranged from 4 to 8+ inches.

**Midwest:** Some minor expansion of areas of Moderate Drought (D1) occurred in central Illinois.

**High Plains:** Areas of the region—including southwestern North Dakota and central Nebraska—saw modest expansion in areas of Severe Drought (D2) as well as expansion in areas of Moderate Drought (D1) in southwestern North Dakota.

**West:** Severe to extreme drought across the southern part of the region. Not much precipitation in the area.



## USDA U.S. Crop Weather Highlights—December 10, 2020

**West**—California's wildfire threats are starting to diminish. Beneficial rain to the Southwest, mainly Arizona and western New Mexico. Mild, dry conditions in the remainder of the West. As of December 8, the U.S. Drought Monitor shows that 78.5% of the 11-state Western region is in drought.

**Plains**—Breezy, cool conditions across the northwestern half of the region. Warm conditions across the southern Plains. High temperatures could reach 80 degrees in parts of Texas. Over the last 2 months, rain shortages have affected central and western Texas and much of North Dakota, southeastern Colorado, northwestern Kansas, and southwestern Nebraska.

**Corn Belt**—Mild, dry conditions favor farm Maintenance and other off-season activities. High temperatures could reach 70 degrees as far north as the middle Mississippi Valley. Cool, breezy conditions southwestward from Minnesota.

**South**—Warm conditions are replacing cool conditions. A warming trend and dense fog is forming along and near the Gulf Coast. Southeastern producers are continuing to harvest remaining summer crops, including cotton and soybeans.

**Outlook for U.S.**— A storm system is crossing the Southwest will reach the middle Mississippi Valley and move to the lower Great Lakes region. Snow accumulating in the southern Rockies and along southeastern Nebraska and into northern Lower Michigan. Weekend snow in northern Maine. Rainfall totals could reach 1-2 inches or more from mid-South northeastward into southern Lower Michigan. An early week storm could bring rain and snow into southern and eastern U.S. Showery weather in the Northwest, especially from the Cascades westward. Occasional rainfall as far south as northern California. The NWS 6-10 day weather outlook for December 15-19 calls for near or above temperatures nearly nationwide. Cooler than normal conditions across the lower Southeast. Above normal rainfall from the Pacific Northwest to the northern Plains as well as the eastern U.S. Drier than normal conditions across southern Florida and stretching from southern California to the central and southern Plains and southwestern Corn Belt.

## International Crop Weather Highlights—December 8, 2020

**Europe**— Cold conditions from France into eastern Europe eased winter crops towards or into dormancy. Rainfall and mountain snow in western and southern Europe. Heavy rainfall from central and northern Italy into the western Balkans.

**Middle East**—Drought maintained poor winter grain establishment prospects in central Turkey. Heavy rainfall boosted moisture reserves for winter wheat and barley in Iran and Iraq but also bringing localized flooding.

**Asia**—Tropical cyclone Burevi brought heavy rainfall to southeastern India, slowing or delaying rabi crop planting. Colder conditions across eastern China, bringing rapeseed in northern sections of Yangtze Valley into dormancy and cold hardening already-dormant wheat. Heavy rainfall maintained ample moisture supplies for rice in southern Indonesia. Dry conditions in eased excessive wetness for winter corn and rice in northern Philippines. Heavy rainfall in central growing areas,

**Australia**— Hot, dry conditions in the northeast stressed some vegetative summer crops. Winter crop harvesting is making progress in the south and west.

**South America**—Heavy rainfall in northern Argentina and southern Brazil, provided an increase in moisture for reproductive summer grains, oilseeds, and cotton. Unfavorable, dry conditions in the soybeans areas of central and southeastern Brazil.

**South Africa**—Favorable conditions for corn, sugarcane, and other rain-fed summer crops.

**Northwestern Africa**—Rainfall alleviated severe long term drought and improved soil moisture for winter wheat and barley planting in Morocco and western Algeria. Heavy rainfall. Heavy rainfall maintained good moisture supplies for winter grain establishment in eastern Europe and northern Tunisia.

**WHEAT:** The outlook for 2020/21 U.S. wheat this month is for slightly smaller supplies, unchanged domestic use, higher exports, and lower ending stocks. Supplies are reduced on lower imports, which are decreased 5 million bushels to 120 million on a slower-than expected pace. Exports are raised 10 million bushels to 985 million as higher white wheat exports are partially offset by lower Hard Red Winter (HRW) exports. Sales and shipments of white wheat have been robust this marketing year to several East Asian countries. Conversely, HRW exports have slowed for the past several weeks. Projected 2020/21 ending stocks are reduced 15 million bushels to 862 million, down 16 percent from last year. The season-average farm price is unchanged at \$4.70 per bushel.

The 2020/21 global wheat outlook is for larger supplies, increased consumption, higher exports, and reduced stocks. Supplies are raised 1.2 million tons to 1,074.3 million on higher global production, which is now a new record at 773.7 million. Most of this month's production increase is for Australia, which is raised 1.5 million tons to 30.0 million. This increase is partially based on the latest ABARES production forecast. Russia's production is raised 500,000 tons to 84.0 million with the harvest results now complete. Canada's wheat production is raised 0.2 million tons to 35.2 million on the final Statistics Canada estimate for the 2020/21 crop year. With this month's production changes, Australia, Canada, and Russia all have their second largest wheat production on record.

World 2020/21 consumption is increased 5.1 million tons to 757.8 million, mostly on higher feed and residual use for China, Australia, and the EU. China is raised 3.0 million tons to 24.0 million, which would be its highest wheat feed and residual use since 2012/13. Increased wheat feed usage is expected as China's domestic price premium of wheat over corn has narrowed significantly this year with greater supplies of old-crop wheat available through government auctions of grain stocks. Projected 2020/21 global trade is raised 2.9 million tons to 193.7 million on higher exports for Australia, Canada, Russia and the United States. The largest import increases this month are for China and Pakistan, each raised 500,000 tons. China's import pace continues to be significantly higher than last year and at 8.5 million tons, imports would be the largest since 1995/96. Pakistan continues to actively import wheat to raise stocks in order to alleviate food price inflation concerns. Pakistan's imports of 2.5 million tons would be its largest since 2008/09. Projected 2020/21 world ending stocks are lowered 3.9 million tons to 316.5 million but remain record high with China and India holding 51 and 10 percent of the total, respectively.

**COARSE GRAINS:** This month's 2020/21 U.S. corn supply and use outlook is unchanged from last month. The projected season-average farm price is unchanged at \$4.00 per bushel. WASDE-607-2 Global coarse grain production for 2020/21 is forecast virtually unchanged at 1,447.8 million tons. The 2020/21 foreign coarse grain outlook is for essentially unchanged production, greater trade, and smaller ending stocks relative to last month. Foreign corn production is forecast lower as an increase for Ukraine is more than offset by reductions for Argentina, the EU, and Canada. Argentina corn production is reduced based on lower expected area. Canada corn output is lowered as marginally higher area is more than offset by a reduction in yield. EU corn production is down mostly reflecting a smaller forecast for Bulgaria. Ukraine corn production is raised based on harvest results to date. Barley production is raised for Australia and Canada. Sorghum production is increased for Argentina.

**BARLEY:** The December 10 WASDE report shows the outlook for 2020/21 U.S. barley supplies unchanged from November at 253 million bushels compared to the estimated in the November report. The December 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 \$4.55/bu in November.