

Idaho Grain Market Report, December 3, 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 December 2, 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	7.00		4.73-4.90	5.32	5.63	5.10-5.32
Idaho Falls		8.30-8.33	4.65	5.20	5.40	5.20
Blackfoot / Pocatello		7.06	4.65	5.20	5.40	5.20
Grace / Soda Springs	6.75		4.48	5.21	5.33	
Burley / Rupert	6.75-8.00		4.71-5.10	5.20	5.36	5.20
Twin Falls / Buhl Jerome / Wendell	5.00		5.00			
Nampa / Weiser			NA			
Nezperce / Craigmont	4.96		5.50	4.76	5.28	
Lewiston	5.48		5.76	5.02	5.54	
Moscow / Genesee	4.99-5.43		5.53-5.65	4.79-6.07	5.31-5.92	

Prices at Selected Terminal Markets, cash FOB

Wednesday December 2, 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			6.10-6.25	6.94-7.04	6.71	
Ogden	7.30		4.73	5.41	5.63	5.36
Great Falls	4.60-5.30			5.36-5.68	5.20-5.36	
Minneapolis						

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were up \$0.25 to up \$0.45 for the week ending December 2. Idaho cash malt barley prices were unchanged for the week. No net barley sales were reported by USDA FAS for the week of November 20-26. No exports for the week.

Barley and Beer Industry News—Australian barley growers could soon be raising a glass to India's swelling cohort of beer drinkers, who are being eyed as a potential market for some of the country's excess stocks of the grain, after its biggest buyer China all but halted imports this year. While India's beer market was only worth about \$7.8 billion last year -- a fraction of the U.S.'s \$105.4 billion market, according to Euromonitor research -- the sheer pace of population growth there, coupled with an increasing thirst for craft beer among younger and wealthier people, means it has the potential to grow into one of the world's largest consumers of the beverage. There's just one hitch. Australia's shipped little barley to India for a decade due to phytosanitary issues, including a requirement that all shipments be free of certain weed species, an issue the industry is working to overcome. Still, India this year said it would allow shipments of Australian barley that has been fumigated with a formerly banned chemical. In addition, there are signs India may be shifting away from its highly protectionist stance -- in the ten years to 2018, global exports of barley to India quadrupled, according to Abares, which expects the nation to start lifting imports across the agricultural sector. "There's a lot of business interest in the beer industry. There's a lot of investment coming in slowly," said Nakul Bhonsle, owner of Great State Aleworks, a microbrewery based in Pune, in India's west. "As the younger generation grows older, there's a drastic shift from hard liquor to beer and wine. So that shift will help us." As Australia seeks to diversify its grain trade away from China, its high-quality malting barley is already "starting to take off" in other developing markets throughout Asia.

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Market News and Trends This Week—continued

WHEAT—Idaho cash wheat prices were mixed for the week ending December 2. SSW prices ranged from down \$0.25 to up \$0.25 from the previous week; HRW prices were down \$1.26 to down \$0.01; DNS prices were down \$0.52 to up \$0.18; and HWW prices were down \$0.35 to down \$0.06. USDA FAS reported net export sales for 2020/2021 for the period November 20-26 at 446,400 MT, were down 44 percent from the prior week and 5 percent from the previous 4 week average. Increases were to Mexico (89,400 MT), Taiwan (83,100 MT), South Korea (81,300 MT), Indonesia (68,200 MT) and unknown destinations (47,000 MT). Exports of 451,500 MT, up 32 percent from the prior week and 40 percent from the previous 4 week average, were to the Philippines (120,800 MT), China (63,000 MT), Indonesia (60,600 MT), Mexico (57,500 MT), and Honduras (34,300 MT).

Wheat News—Crops in Russia have entered winter suffering the stresses of a dry autumn, with the looming threat of frosts suggesting output in the 2021/22 marketing could fall significantly, according to analysts that spoke with Agricensus Thursday. A lack of rainfall during this autumn left winter crops in a vulnerable state, while an on-going lack of insulating snow cover has left crops exposed to frosts that have started to hit key growing regions and are threatening to intensify in the coming weeks. Earlier this week, the Russian state meteorological service's estimate of crop health said 22% of the winter crop – some 4.3 million ha – was in a poor condition, with 2.4 million ha still not yet sprouted. That means, even though Russian farmers had sown winter crops on a record 19.3 million ha area by December 2 – a figure 7% higher than last year – there could still be losses. "Under the current conditions, we can quite seriously consider a 5-7 million mt crop decrease in the 2021/22 marketing year," Alexander Korbut, vice-president at farm lobby group the Russian Grain Union (RGU) told Agricensus. While it is possible to replant lost crops during the spring sowing campaign, as much as 2 million hectares of winter planting could be lost, according to Korbut. But even with replanting after the snow melts in the spring, output – particularly for crops such as wheat – is unlikely to match the potential loss from earlier in the campaign.

CORN—USDA FAS reported net export sales for 2020/2021 for period November 20-26 of 1,371,400 MT, increases were primarily to Mexico (656,900 MT), unknown destinations (351,400 MT), China (154,80 MT), Japan (138,800 MT), and South Korea (62,600 MT). Exports of 1,072,300 MT were to China (475,800 MT), Mexico (312,300 MT), Japan (82,300 MT), Guatemala (59,500 MT), and Honduras (49,700 MT).

Ethanol Corn Usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending November 27 averaged 974 thousand bbls/day –down 1.62 percent from the previous week and down 8.11 percent from last year. Total ethanol production for the week was 6.818 million barrels. Ethanol stocks were 21.24 million bbls on November 27, up 1.79 percent from last week and up 2.91 percent from last year. An estimated 98.4 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 1.2 billion bu. Corn used needs to average 97.417 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 3, 2020

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, December 3, 2020:

Commodity	December 2020	Week Change	March 2021	Week Change	May 2021	Week Change	July 2021	Week Change
CHI SRW	\$5.71 ³ / ₄	-\$0.24 ³ / ₄	\$5.84 ¹ / ₂	-\$0.21 ¹ / ₂	\$5.87 ³ / ₄	-\$0.21 ¹ / ₂	\$5.87 ¹ / ₂	-\$0.19 ¹ / ₄
KC HRW	\$5.45	-\$0.16 ¹ / ₂	\$5.49 ³ / ₄	-\$0.04	\$5.55 ³ / ₄	-\$0.15 ¹ / ₂	\$5.59	-\$0.16
MGE DNS	\$5.40 ¹ / ₂	-\$0.09 ¹ / ₄	\$5.53 ¹ / ₂	-\$0.16 ¹ / ₂	\$5.61 ³ / ₄	-\$0.10 ³ / ₄	\$5.68 ³ / ₄	-\$0.17 ¹ / ₂
CORN	\$4.22 ¹ / ₂	-\$0.03	\$4.26 ¹ / ₂	-\$0.07 ¹ / ₄	\$4.28 ³ / ₄	-\$0.08	\$4.29 ¹ / ₂	-\$0.08 ³ / ₄

WHEAT FUTURES—Wheat futures down on a rise in Covid19 positive cases. **Wheat futures prices ranged from down \$0.24³/₄ to down \$0.04 (per bu) over the previous week.**

CORN FUTURES—Corn futures prices down on a rise in Covid19 positive cases. **Corn futures prices ranged from down \$0.08³/₄ to up \$0.03 (per bu) over the previous week.**

CRUDE OIL FUTURES—OPEC+ will, as a group, add in 500,000 barrels per day in January to its oil production quotas, which currently calls for a production cut of 7.7 million bpd. The total production cut in January will now just be 7.2 million bpd.

EIA reported U.S. crude oil refinery inputs averaged 14 million bbls/day during the week ending November 27, 2020 was 251 thousand bbls/day less than last week's average. Refineries operated at 78.2% of capacity last week. As of November 27 there was a decrease in Crude Oil stocks of 0.679 million bbls from last week to 488.042 million bbls, over the 5-year average of 455.534 million bbls. Distillate stocks increased by 3.238 million bbls to a total of 145.87 million bbls, over the 5-year average of 136.127 million bbls; while gasoline stocks increased by 3.491 million bbls to 233.638 million bbls, over the 224.739 million bbl 5-year average. The national average retail regular gasoline price was \$2.120 per gallon on November 30, up \$0.018 from last week's price but \$0.455 under a year ago. The national average retail diesel fuel price was \$2.502 per gallon, up \$0.040 per gallon from last week's level but down \$0.568 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, December 3, 2020 to close at \$45.64/bbl (January contract), up \$0.11 for the week.

USDA Crop Progress/Condition Report—November 30, 2020

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition Rating % Good/Excellent	Previous Week	Previous Year
US Winter Wheat Emerged	92%	89%	89%	91%	46%	43%	52%
ID Winter Wheat Emerged	98%	95%	99%	98%	60%	55%	-
Corn Harvested	84%	77%	82%	79%			

USDA U.S. Crop Weather Highlights—December 3, 2020

West—Critical fire weather conditions in parts of southern California. Santa Ana winds are in effect. Wind gusts of 50-70 mph in the coastal mountains of southern California. Mild, dry conditions in the remainder of the region. Stagnant air and foggy conditions in parts of the Northwest. As of December 1 U.S. Drought Monitor, 76% of the 11-state West-ern region in in drought.

Plains—A storm system is bringing up to 2 inches of snow in Dodge City, Kansa and 1.3 inches in Amarillo, Texas, accompanied by wind gusts of 40 mph. Mild, dry conditions across the northern Plains, where high temperatures could reach 50 degrees or higher in parts of Montana.

Corn Belt—Snow is on the ground in much of Ohio and neighboring states. As of November 29, final corn harvest were 95% in Michigan and Wisconsin and 92% complete in Ohio. Dry conditions across the Midwest except for light showers in southern Missouri.

South—Frosty morning conditions from the Atlantic Coast to northern Florida. Florida's citrus belt remains frost free. Rainfall in lower Mississippi Valley, cool breezy conditions in the western Gulf Coast region.

Outlook for U.S.— A storm system crossing southern Plains moving eastward will reach the southern Appalachians by Friday. A weekend storm system will reach the middle and northern Atlantic Coast. Snow in the interior Northeast, where totals could reach 1-2 inches or more in the Southeast and along the Atlantic Seaboard. After the storm, dry conditions will return nearly nationwide. Chilly conditions in the Midwest and East. Warmer conditions on the Plains. Dry conditions during the next 5 days across the northern Plains and much of the West and Midwest. The NWS 6-10 day weather outlook for December 8-12 calls for near or above normal temperatures with dry conditions across much of the country. Cooler than normal conditions in the lower Southeast. Wetter than normal conditions in the northwest-ern half of the Plains.

International Crop Weather Highlights—December 1, 2020

Europe— Dry, cold conditions from France into eastern Europe eased winter crops towards or into dormancy. Heavy rainfall boosted moisture supplies for winter grains in Spain but was untimely for late-season fieldwork in northern England, Scandinavia, and the Baltic States.

Middle East—Heavy rainfall boosted moisture reserves for winter wheat and barley, but caused localized flooding in wester and northern Iran and central Iraq. Dry conditions in central Turkey, leaving soil too dry for winter grains on the Anatolian Plateau.

Asia—Tropical Cyclone Nivar hit southeastern India, bringing heavy showers and localized flooding. No wide-spread impacts to crops are expected. Wet weather maintained good soil moisture for rapeseed in eastern China. Colder than normal conditions moved wheat into dormancy. Excessively wet conditions for winter crop sin the northern Philippines. Wet conditions favored rice and palm oil in Indonesia and Malaysia.

Australia— Rainfall slowed winter crop drydown and harvesting in southern New South Wales and eastern Victo-ria. Hot, dry conditions favored wheat, barley, and canola harvesting. Hot conditions in the northeast stressed some dryland summer crops.

South America— Rainfall in high yielding productions areas of central Argentina increased moisture for summer grain and oilseed establishment and maintained favorable prospects for winter grains in southern Buenos Aires. Dry conditions in large sections of Brazil, reducing moisture for vegetative to reproductive soybeans and firs-crop corn.

South Africa—Mild, showery conditions boosted moisture for development of rain-fed summer crops in central sections of the corn belt. Sunny conditions farther east promoted crop development.

Northwestern Africa—Rainfall in eased sever long term drought and boosted soil moisture for winter wheat and barley planting in Morocco and western Algeria.

U.S Drought Monitor—December 3, 2020

Northeast: Two inches or more of precipitation fell across a large part of New England this week, with other parts of the Northeast receiving half an inch or more. Abnormal dryness to extreme drought contracted in New England, moderate drought contracted in New York, and severe drought disappeared in Pennsylvania. According to U.S. Department of Agriculture (USDA) reports, 79% of the topsoil moisture in New Hampshire continued to be short or very short (dry to very dry).

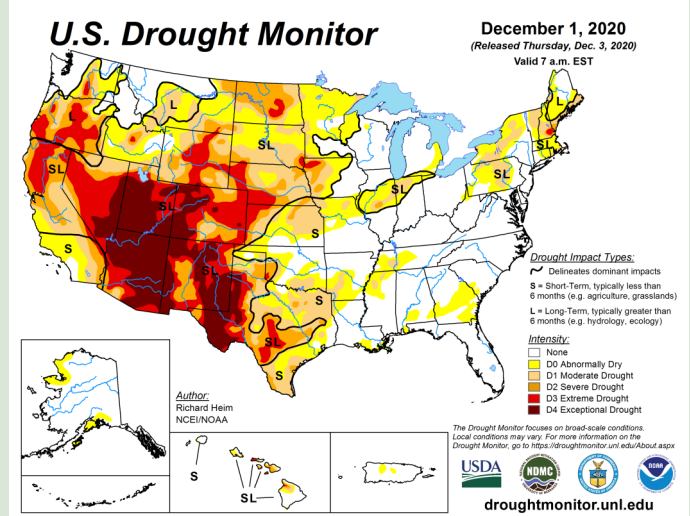
Southeast: Half an inch or more of rain fell across northern Florida and all of the rest of the Southeast states. Rainfall of 2+ inches reached the abnormally dry areas of Alabama and Georgia.

South: Western parts of Texas remained dry this week, while half an inch or more of rain fell across the rest of the region. Two inches or more fell across parts of southern Texas to Mississippi. Abnormal dryness to exceptional drought contracted in southern Texas, abnormal dryness shrank in Louisiana and Mississippi, and moderate drought was reduced in Arkansas. But moderate to extreme drought expanded in other parts of Texas which were drier than normal for the week, and exceptional drought grew in west Texas. Abnormal dryness and moderate drought expanded in northern Mississippi and western Tennessee where this week's rainfall was below normal. According to USDA reports, topsoil moisture was short or very short across 61% of Texas, 43% of Oklahoma, and 20% of Mississippi; 34% of the winter wheat was in poor to very poor condition across Texas.

Midwest: Abnormal dryness and moderate drought contracted in southern parts of the Midwest which received beneficial above-normal precipitation, especially in Illinois and Indiana. But in northern parts, where the week continued dry, abnormal dryness and moderate drought expanded, especially in Minnesota. USDA statistics show that 40% of the topsoil moisture was short or very short in Iowa.

High Plains: Central and eastern parts of Kansas, and strips in northeast and southeast Nebraska, received half an inch or more of precipitation, with over 2 inches falling in northeast Kansas. Parts of Colorado also received above-normal precipitation. But the rest of the High Plains region was dry. Moderate to severe drought shrank in southeast Nebraska and northeast Kansas, but moderate to severe drought expanded in parts of the states from North Dakota to Kansas. Extreme drought expanded slightly in southwest Kansas and was introduced in central North Dakota. Exceptional drought shrank slightly in central Colorado. According to USDA reports, half to two-thirds of the topsoil moisture was short to very short in all of the High Plains states except Colorado, where 83% of the topsoil moisture was short to very short. USDA statistics show that 38% of the winter wheat was in poor to very poor condition in Colorado. In Nebraska and Kansas, the winter wheat statistics were 26% and 22%, respectively, poor to very poor.

West: Extreme and exceptional drought expanded in parts of New Mexico. Parts of northeast Nevada received precipitation this USDM week, but it was still below normal. The failure of the summer monsoon resulted in record dryness to the Southwest states, and record heat over warm season increased evapotranspiration, resulting in record SPEI values over the last 3 to 6 to 9 months. The SPEI values were not only record, they exceeded previous records by huge margins. The expansion of exceptional drought reflected this prolonged dryness. According to USDA reports, topsoil moisture was short to very short across 82% of New Mexico, 81% of Utah, 75% of California, 54% of Montana, 47% of Idaho, 42% of Oregon, and 35% of Nevada. In Oregon, 20% of the winter wheat crop is in poor to very poor condition. Jiggs Reservoir, in northeast Nevada, is nearly dry.



Three Month Precipitation Outlook for December, January and February November 19, 2020

