

Idaho Grain Market Report, February 11, 2021—NEW CROP PRICES

Published weekly by the Idaho Barley Commission
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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday February 10, 2021. 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 | 6.50-8.75 | | 5.25-5.39 | 5.75 | 5.98 | 5.70-5.75 |
| Idaho Falls | | 8.30-8.33 | | | | |
| Blackfoot / Pocatello | | 7.62 | | | | |
| Grace / Soda Springs | 8.00 | | 5.02 | 5.45 | 5.71 | |
| Burley / Rupert | 8.25 | | 5.18 | 5.47 | 6.12 | 5.57 |
| Twin Falls / Buhl Jerome / Wendell | 6.00-10.00 | | 5.15-6.30 | | | |
| Meridian | 6.75 | | 6.40 | 6.48 | 6.16 | |
| Nezperce / Craigmont | 5.21 | | 6.68 | 6.86 | 6.63 | |
| Lewiston | 5.73 | | 6.45 | 6.63 | 6.40 | |
| Moscow / Genesee | 5.24-6.43 | | 6.45-6.55 | 6.63-6.69 | 6.40-6.51 | |

Prices at Selected Terminal Markets, cash FOB

Wednesday February 10, 2021. 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 | | | 7.10-7.40 | 7.45-7.55 | 7.25-7.30 | |
| Ogden | 8.50 | | 5.22 | 5.85 | 6.16 | 5.85 |
| Great Falls | 5.50-7.00 | | | 5.81-6.09 | 5.84-6.08 | |
| Minneapolis | | | | | | |

Market News and Trends This Week

BARLEY—Idaho cash feed barley prices were down \$0.25 to up \$0.25 for the week ending February 10. Idaho cash malt barley prices were unchanged to up \$0.56 for the week. No net barley sales were reported by USDA FAS for 2021/2022 for the week of January 29– February 4. Exports of 300MT to Taiwan were reported for the week.

Barley and Beer Industry News—On Wednesday February 3, Anheuser-Busch announced that it would shift production of signature beer, Stella Artois from Europe to four of its U.S. breweries, which will produce the beverage for domestic consumption. This move is part of a \$1 billion capital investment program that Anheuser-Busch announced last week for their U.S. production facilities. Anheuser-Busch U.S. Chief Sales Officer, Brendan Whitworth said that production of U.S. Stella Artois will begin in early summer and be completed by the end of the summer. Anheuser-Busch will spend an additional \$296 million for the domestic production and distribution of Stella Artois in the United States. Whitworth said, "the shift to U.S. production will limit international supply chain issues, which has been an issue in recent years due to trade tensions and the pandemic". "To avoid those disruptions, to bring the best products possible to consumers, under a brand as premium as Stella Artois, we can do that with local production," Whitworth said. The Anheuser-Busch breweries that will produce Stella in the U.S. are Newark, New Jersey, Jacksonville, Florida, Los Angeles, California, and St Louis, Missouri. Anheuser-Busch will invest \$400 million into 12 of their U.S. breweries this year, mostly to ramp up the production capacity for the popular hard seltzers that have become popular with the U.S. consumers.

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 February 10. SWW prices ranged from down \$0.10 to up \$0.08 from the previous week; HRW prices were down \$0.10 to up \$0.09; DNS prices were down \$0.15 to up \$0.06; and HWW prices were down \$0.06 to unchanged. USDA FAS reported net export sales for 2020/2021 for the period January 29– February 4 at 591,000 MT, were down 8 percent from the prior week but up 50 percent from the previous 4 week average. Increases were to unknown destinations (167,000 MT), Mexico (108,800 MT), the Philippines (99,200 MT), Taiwan (89,200 MT) and Japan (57,000 MT). Exports of 438,900 MT, down 12 percent from the prior week but up 8 percent from the previous 4 week average, were to the Philippines (115,700 MT), Mexico (92,100 MT), Taiwan (80,200 MT), Thailand (58,700 MT), and Colombia (34,000 MT).

Wheat News—Russia announced the implementation of a new floating permanent tax on wheat exports beginning June 2. Analysts think the new permanent tax may backfire. The tax is going to be 70 percent of the difference between the export price and US \$200 per tonne. For example, if the export price is \$300, the tax amount would be \$70. Russia's goal is to bolster domestic supplies of the crop and cool off prices. Andrey Sizov, managing director of SovEcon, thinks the tax could be bullish for 2021–22 wheat price prospects. There is likely to be a reduction in Russia's spring wheat planting's, resulting in an estimated 1.5–2 million tonne drop; in SovEcon's initial 2021 wheat crop estimate of 77.7 million tonnes. The tax could take \$1.50–\$2.30 per bushel out of the Russian farmers pockets based on export prices from \$280–\$320 per tonne. Sizov believes the tax is going to have the opposite effect that the government is hoping for by restricting domestic wheat supplies. The export tax has been put into effect in response to Russian President Vladimir Putin's concern of rising food price inflation. According to Trade Economics, the food cost in Russia in December was 7.7 percent higher than one year ago. It has climbed higher every month in 2020.

CORN—USDA FAS reported net export sales for 2020/2021 for period January 29– February 4 of 1,448,600 MT, increases were primarily to Japan (517,700 MT), Mexico (456,400 MT), Egypt (119,500 MT), and Guatemala (72,200). Exports of 1,565,700 MT were to China (357,600 MT), Japan (314,000 MT), Mexico (288,000 MT), Colombia (129,600 MT), and Peru (78,400 MT).

Ethanol Corn Usage—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending February 5 averaged 937 thousand bbls/day –up 0.11 percent from the previous week and down 9.29 percent from last year. Total ethanol production for the week was 6.559 million barrels. Ethanol stocks were 23.796 million bbls on February 5, down 2.14 percent from last week and down 2.31 percent from last year. An estimated 94.67 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 2.15 billion bu. Corn used needs to average 94.573 million bu per week to meet USDA estimate of 4.95 millions bu for the crop year.

Futures Market News and Trends—Week Ending February 11, 2021

FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, February 11, 2021:

| Commodity | March 2021 | Week Change | May 2021 | Week Change | July 2021 | Week Change | September 2021 | Week Change |
|-----------|------------|-------------|----------|-------------|-----------|-------------|----------------|-------------|
| CHI SRW | \$6.33½ | -\$0.07¾ | \$6.39 | -\$0.06¾ | \$6.28¼ | -\$0.03¾ | \$6.28¼ | -\$0.03½ |
| KC HRW | \$6.11 | -\$0.14¼ | \$6.17 | -\$0.13 | \$6.19½ | -\$0.11¾ | \$6.24 | -\$0.10½ |
| MGE DNS | \$6.16¼ | -\$0.09¾ | \$6.27 | -\$0.09½ | \$6.34¾ | -\$0.09¼ | \$6.41½ | -\$0.08¾ |
| CORN | \$5.41 | -\$0.07½ | \$5.39¾ | -\$0.07¾ | \$5.27¾ | -\$0.08½ | \$4.74¾ | -\$0.03½ |

WHEAT FUTURES—Wheat futures down on uncertainty of stimulus package. **Wheat futures prices ranged from down \$0.14¼ to down \$0.03½ (per bu) over the previous week.**

CORN FUTURES—Corn futures prices down on uncertainty of stimulus package. **Corn futures prices ranged from down \$0.07¾ to down \$0.03½ (per bu) over the previous week.**

CRUDE OIL FUTURES—Oil prices are almost to pre-COVID levels, primarily due to U.S. production cuts along with recovering demand.

EIA reported U.S. crude oil refinery inputs averaged 14.8 million bbls/day during the week ending February 5, 2021 which was 152 thousand bbls/day more than last week's average. Refineries operated at 83% of capacity last week. As of February 5 there was a decrease in Crude Oil stocks of 6.645 million bbls from last week to 469.014 million bbls, over the 5-year average of 461.269 million bbls. Distillate stocks decreased by 1.732 million bbls to a total of 161.106 million bbls, over the 5-year average of 151.044 million bbls; while gasoline stocks increased by 4.259 million bbls to 256.412 million bbls, under the 257.236 million bbl 5-year average. The national average retail regular gasoline price was \$2.461 per gallon on February 8, up \$0.052 from last week's price and \$0.042 over a year ago. The national average retail diesel fuel price was \$2.801 per gallon, up \$0.063 per gallon from last week's level but down \$0.109 from a year ago.

NYMEX Crude Oil Futures finished the week ending Thursday, February 11, 2021 to close at \$58.24/bbl (March contract), up \$1.39 for the week.

U.S Drought Monitor—February 11, 2021

Northeast: Snow in the region reduced the coverage of moderate drought (D1) in northern New York. The remaining areas of the region were not changed.

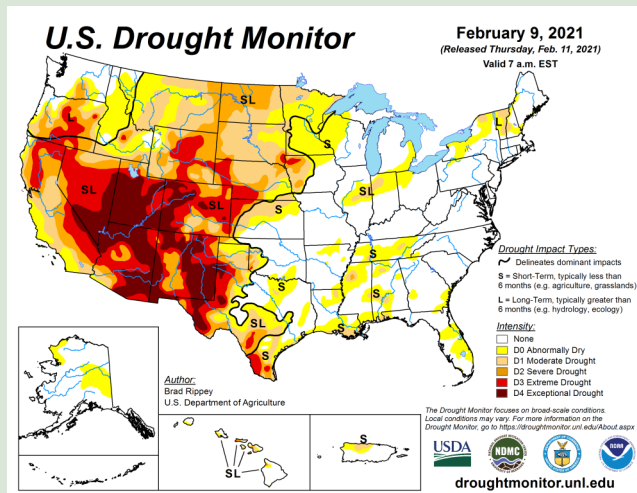
Southeast: Heavy rainfall across the lower Southeast, including parts of northern Florida brought reductions in the coverage of abnormal dryness (D0). Increases of dryness and moderate drought (D1) in parts of Alabama and westernmost Florida.

South: Increases in abnormal dryness (D0) and moderate drought (D1) in Arkansas, Louisiana, Mississippi, and Tennessee. Short term dryness extended westward to coastal Texas, where some moderate drought (D1) was introduced between Port O'Connor and Galveston.

Midwest: A small amount of abnormal dryness (D0) was reduced from the upper Great Lakes region. Elsewhere, the area of abnormal dryness (D0) and moderate drought (D1) stretching from the middle Mississippi Valley into the lower Great Lakes region was reduced in size.

High Plains: Mostly dry conditions continued. No significant changes were made.

West: Widespread precipitation across the Pacific Northwest and northern Rockies, however, there were no reductions made. No precipitation fell across southern California, the Great Basin, and the Southwest. Coverage of severe to extreme drought (D2 to D3) was reduced in parts of southeastern Montana and northeastern Wyoming. Some general deterioration of conditions in the northeast and further improvement west of the Cascades.



USDA U.S. Crop Weather Highlights—February 11, 2021

West—Mostly dry conditions. A Pacific storm system will be approaching. A few rain and snow showers across the Pacific Northwest and northern Rockies. Arctic air westward across the northern Rockies. Cold conditions in the Northwest.

Plains—Sub-zero temperatures from Nebraska northward. As of February 10, daily record lows were -38 degrees in Cut Bank and -36 degrees in Fort Benton, Montana. Lack of snow cover in northeastern Montana and western Dakotas for winter wheat, raising the risk of winterkill. Snow depth of less an inch and low temperatures ranging from -22 to -25 degrees in Glasgow, Montana.

Corn Belt—Sub-zero temperatures putting stress in livestock in upper Midwest. Morning temperatures fell to -20 degrees in parts of North Dakota and northern Minnesota. Cold, breezy conditions in the remainder of the Corn Belt.

South—A strong cold front from the Carolinas to the central Gulf Coast. Warm conditions across the lower Southeast. Heavy rainfall in the central Gulf Coast region. Freezing rain in the mid-South, including parts of the Arkansas.

Outlook for U.S.—A group of storms will cross the country bring wintry rainfall across the West and from the central and southern Plains in to the mid-South, lower Midwest, and Northeast. Rainfall in the Southeast will bring 1-4 inches of rain except in southern Florida. Dry conditions mostly in the Desert Southwest and the north-central U.S. Cold conditions will accompany stormy weather except in the Southwest and lower Southeast. Weekend temperatures could fall to 0 degrees as far south as west-central Texas. Fresh snow should help insulate winter wheat in the southern High Plains. A winter freeze could affect sensitive crops in Deep South Texas. The NWS 6-10 day weather outlook for February 16-20 calls for above normal conditions along the southern Atlantic Coast. Near to above normal precipitation in most of the country. Drier than normal conditions limited to southern California, the Desert Southwest, and the north-central U.S.

International Crop Weather Highlights—February 9, 2021

Europe— Rainfall and snow boosted moisture supplies for dormant to vegetative winter grains and oilseeds. Warm conditions in western Europe minimized the risk of winterkill and dept the area void of snow cover.

Middle East—Rainfall boosted moisture reserves in Turkey of wheat and barley spring growth. Heavy rainfall maintained favorable soil moisture for winter crops while boosting irrigation reserved from the eastern Mediterranean Coast into northwestern Iran.

Asia—Showers and cool conditions in northern India benefited good wheat and rapeseed conditions. Rainfall boosted moisture reserves in eastern China's Yangtze Valley for overwinter rapeseed. Mild conditions on the North China Plain favored overwintering wheat. Rainfall boosted moisture supplies for rice in southern Indonesia (Java).

Australia— Rainfall boosted moisture supplies for summer crops in New South Wales. Sunny conditions promoted cotton and sorghum development in southern Queensland.

South America—Heavy rainfall across Brazil boosted moisture for summer crops, including the eastern edges of corn, soybeans, and cotton production areas. Mild, showery conditions in Argentina benefited summer grains, oilseeds, and cotton.

South Africa— Warm, showery conditions across the corn belt favored reproductive to filling crops.

Northwestern Africa—Rainfall in Morocco and northern Tunisia boosted moisture for wheat and barley. Short term dryness in parts of Algeria and interior Tunisia, although subsoil moisture levels have remained adequate.

WHEAT: The supply and demand outlook for 2020/21 U.S. wheat is largely unchanged this month but there are offsetting by-class changes to exports, imports, and food use. Hard Red Spring (HRS) and White exports are raised on stronger than expected sales and shipments, particularly to China. Conversely, Hard Red Winter (HRW) exports are reduced on a continued slow pace. Durum imports are raised on the pace to date while HRS is lowered. Durum and HRS food use are raised while HRW and Soft Red Winter are lowered. These changes are mainly based on the NASS Flour Millings Products report and Census trade data. The season-average farm price is raised \$0.15 per bushel to \$5.00 based on NASS prices reported to date and expectations for futures and cash prices for the remainder of the marketing year.

The 2020/21 global wheat outlook is for greater supplies, increased consumption, higher exports, and reduced stocks. Supplies are raised 0.8 million tons to 1,073.5 million. Global production is increased to a record 773.4 million tons as higher production in Kazakhstan more than offsets reduced production in Pakistan and Argentina. World 2020/21 consumption is increased 9.8 million tons to 769.3 million, mostly on higher feed and residual use for China and increased food, seed, and industrial (FSI) use for India. China's 2020/21 feed and residual use is raised to a record 30.0 million tons, surpassing the previous 2012/13 record of 26.0 million. China's domestic corn prices continue to be at a premium to wheat, encouraging greater wheat feed use. Additionally, increased auction volumes of old-crop stocks in China have expanded the availability of feed-quality wheat. India's FSI is raised 3.5 million tons to a record 96.5 million as government stocks data indicate greater disappearance than previously estimated. This is likely the result of the inclusion of wheat products in India's government food assistance programs to address economic disruptions caused by COVID-19.

Projected 2020/21 global trade is raised 1.1 million tons to 194.8 million tons as higher exports for the EU-27+UK and Kazakhstan more than offset lower exports for Argentina. EU-27+UK exports are raised on a strong export pace and improved price competitiveness with Russia. Kazakhstan exports are increased on its pace to date and greater exportable supplies. Argentina's are lowered on reduced supplies and a slow export pace to date. The largest import change this month is for China, where imports are raised to 10.0 million tons on a continued robust pace. Projected 2020/21 world ending stocks are lowered 9.0 million tons to 304.2 million with most of the reductions due to increased consumption for China and India. However, global stocks remain record high with China and India holding 51 and 9 percent of the total, respectively.

COARSE GRAINS: This month's 2020/21 U.S. corn outlook is for higher exports and lower ending stocks. Exports are raised 50 million bushels, reflecting historically large corn purchases by China. With no other use changes, U.S. corn ending stocks are lowered 50 million bushels from last month. The season-average corn price received by producers is raised 10 cents to \$4.30 per bushel. Global coarse grain production for 2020/21 is projected marginally higher to 1,438.9 million tons. This month's foreign coarse grain outlook is for higher production, lower consumption, and greater ending stocks relative to last month. Foreign corn production is up fractionally, with an increase for South Africa more than offsetting a reduction for Paraguay. For South Africa, production is raised based on higher indicated area. For Brazil, the corn production forecast is unchanged as greater area is offset by a reduction in yield. Slow second-crop planting progress in the Center-West dampens yield prospects but very favorable prices boost area expectations.

Major global trade changes for 2020/21 include higher projected corn exports for the United States, India, and South Africa. For 2019/20, Argentina and Brazil corn exports are raised for the local marketing year ending February 2021 based on larger-than expected late-season shipments. Corn imports for 2020/21 are increased for China, with partly offsetting reductions for the EU-27+UK, South Korea, Japan, India, Saudi Arabia, and Turkey. China's barley and sorghum imports are also higher this month, bringing total coarse grain imports to 40.3 million tons. Foreign corn ending stocks for 2020/21 are up relative to last month, mostly reflecting increases for China, South Africa, and Mexico that are partly offset by reductions for Argentina and Brazil. Global corn ending stocks, at 286.5 million tons, are up 2.7 million from last month.

BARLEY: The February 9 WASDE report shows the outlook for 2020/21 U.S. barley supplies unchanged from January at 253 million bushels compared to the estimated in the January report. The February 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 175 million bushels, and projected imports at 7 million bushels. Ending stocks for 2020/21 are projected to be 78 million bushels. The season-average farm price is at \$4.70/bu on updated NASS prices compared to \$4.60/bu in January.