

Idaho Grain Market Report, January 12, 2017

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 11, 2017. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	Barley (Cwt.) FEED	MALTING	Wheat (bu.) Milling			
	48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg / Ririe	\$5.00-5.25		\$3.40-3.45	\$3.85	\$5.25	\$4.05-4.20
Idaho Falls	\$5.00	\$8.30 -8.32	\$3.45	\$3.95	\$5.25	\$4.05
Blackfoot / Pocatello		\$6.50	\$3.45	\$3.95	\$5.25	\$4.05
Grace / Soda Springs	\$5.50		\$3.33	\$3.53	\$5.17	\$3.93
Burley / Rupert	\$5.00		\$3.44	\$3.50	\$5.28	\$4.07
Hazelton						
Twin Falls / Buhl / Wendell	\$6.10		\$3.40			
Nampa – Weiser	\$5.90		\$3.55			
Nez Perce / Craigmont	\$3.75		\$3.59	\$4.27	\$5.87	
Lewiston	\$4.25		\$3.85	\$4.53	\$6.13	
Moscow / Genesee	\$3.75-4.25		\$3.62-3.76	\$4.30-4.45	\$5.90-6.19	\$4.45

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. -- unit trains barge	Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			Ord pro - \$4.56- 4.63¼ max 10.5% pro \$4.63¼ –4.68¼	\$5.01¼ -5.31¼	\$6.66½ -6.86½	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65–8.85					
Ogden	\$5.85		\$3.68	\$3.79	\$5.50	\$4.35
Great Falls	\$4.25-4.75	\$6.00		\$4.07-4.20 (12%)	\$5.50-5.66	
Minneapolis	\$4.17	NQ		\$4.76¾ (12%)	\$6.86½ - 7.11½	

Market trends this week

BARLEY – Local feed and malting barley prices remained steady. USDA reported there were no new barley export sales last week and export shipments totaled 900 MT to Japan.

BARLEY Quarterly Stocks & Monthly S&D Projections - Quarterly U.S. barley stocks are pegged at 193 million bu, up 7% from a year ago. The Sept. – Nov. 2016 indicated disappearance is 37.8 million bu, down 2% from the same period a year earlier. **Idaho barley stocks are pegged at 46.23 million bu, up 15% from a year ago.** USDA made only minor tweaks to their monthly barley S&D balance sheet – cut barley imports by 2 million bu to 16 million bu, cut feed use by 5 million bu to 55 million bu and cut exports by 2 million bu to a multi-year low of 6 million bu, resulting in a **5 million increase in ending stocks to 103 million bu.** The average farm-gate price is adjusted modestly higher on both ends to \$4.60-5.20/bu.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 30 cents to plus 3 cents; HRW prices ranged from minus 6 cents to plus 15 cents; and DNS prices ranged from plus 6 to 28 cents. USDA reported wheat export sales were within trade expectations at 391 TMT, up noticeably from the previous week but down 1% from the previous 4-week average. Wheat export shipments totaled 172.3 TMT, down 60% from the previous week and down 60% from the previous 4-week average.

WHEAT 2016 Winter Wheat Acreage, Quaterly Stocks and Monthly S&D Projections – USDA released a surprisingly bullish 2017 winter wheat seedings estimate of 32.383 million acres, down 2.7 million or 10% from the previous year and 1.76 million ac BELOW the pre-report trade expectations. If realized, this would be the second smallest U.S. winter wheat acreage on record and the lowest in more than 100 years. HRW acres are pegged at only 23.3 million acres, down 12% from last year, SRW acres at 5.68 million, down 6%, and SWW acres at 3.37 million, down 4%. **Idaho winter wheat acres are pegged at 730,000, down 4% from last year.** Quarterly wheat stocks are pegged at 2.072 billion bu, up 19% from the previous year and higher than pre-report trade expectations of 2.056 billion bu. The Sept. – Nov. 2016 indicated disappearance is 472 million bu, up 34% from the same period a year earlier. **Idaho wheat stocks are pegged at 72.54 million bu, up 31% from a year ago.** USDA tweaked their monthly wheat S&D balance sheet, cutting seed use by another 8 million bu due to the low winter wheat planting estimate to 61 million bu and cutting feed usage by 35 million bu to 225 million bu, resulting in a **43 million bu increase in ending stocks to a burdensome 1.186 billion**, the highest stocks since the late 1980s. The average farm-gate price was raised modestly on both ends to \$3.75-3.85/bu. **World wheat production is increased this month by 1.3 MMT to a record 752.7 MMT, up 2% from the previous year.** **World wheat ending stocks are increased by 1.2 MMT this month to a record 253.3 MMT, up 5% from last year and ABOVE trade expectations of 252 MMT.**

Wheat Competitor / Buyer News –Argentine Ag Ministry pegged the Argentine wheat crop this week at 16 MMT, up slightly from their previous estimate. This compares with USDA's peg this week of 15.0 MMT. UkrAgroConsult reported this week that Ukraine's wheat export pace has been very strong in the first half of the marketing year, pegging year-to-date exports at 10.8 MMT or 70% of their expected total exports for the year. This pace is slightly above last year's pace. By contrast, French wheat exports are expected to fall sharply this year due to the smallest wheat crop in 30 years. French exports outside of the EU are now pegged at only 4.8 MMT, down 63% from a year ago. Morocco has issued a tender seeking 363 TMT of US soft wheat and a similar amount of EU wheat. CONAB has estimated the Brazilian wheat crop at 6.7 MMT this year, nearly unchanged from last year. They are estimating Brazilian wheat imports could rise slightly this year to 5.95 MMT. USDA has pegged Brazilian wheat imports higher at 6.7 MMT.

CORN – USDA reported corn export sales were within trade expectations at 603.3 TMT plus MY 17/18 sales of 151.7 TMT, up 41% from the previous week but down 42% from the previous 4-week average. Corn export shipments totaled 693.9 TMT, up 14% from the previous week but down 14% from the previous 4-week average.

CORN Quarterly Stocks, Final 2016 Corn Production & Monthly S&D Projections- USDA reports are considered mixed but mostly neutral. Quarterly corn stocks are pegged at 12.384 billion bu, up 10% from a year ago and ABOVE the average pre-report trade estimate of 12.36 billion bu. The Sept. – Nov. 2016 indicated disappearance is 4.5 billion bu, up 10% from the same period a year earlier. The USDA pegged final 2016 U.S. corn production at 15.148 billion bu, down 78 million bu from last month, and BELOW pre-report trade estimate of 15.196 billion bu. The final 2016 average corn yield was cut by 0.7 bpa to 174.6 bpa. In their monthly corn balance sheet, USDA increased imports by 5 million bu to 55 million bu, cut feed use by 50 million bu to 5.6 billion bu, increased ethanol use by 25 million bu to 5.325 billion bu, resulting in a **48 million bu cut in corn ending stocks to a still burdensome 2.355 billion bu.** This was ABOVE pre-report trade expectations of 1.785 billion bu. The average farm-gate price of corn was raised modestly on both ends to \$3.10-3.70/bu. **World corn production is cut by 1.8 MMT to a new record 1,037.9 MMT, up 8% from a year ago.** **World corn ending stocks are cut by 1.3 MMT this month to 220.98 MMT, up 5% from a year ago and BELOW trade estimate of 221.9 MMT.**

Ethanol corn usage – DOE's Energy Information Agency reported another uptick in U.S. ethanol production last week to 1,049,000 bbls per day, up 0.6% from the previous week and up 4.6% from a year ago. Weekly corn usage topped 110 million bu last week. This week USDA raised their projection of ethanol use for the current marketing year by 25 million bu to a new record 5.325 billion bu, based on the strong usage pace in recent months.

Corn Competitor / Buyer News – There is a wide range of Brazilian corn crop estimates with mostly favorable crop conditions...Brazilian AgoConsult pegging their crop this week at 94.9 MMT, up sharply from last year's 66.6 MMT last year. Government agency CONAB pegged their crop at 84.5 MMT while USDA left their estimate unchanged at 86.5 MMT. Argentine Ag Ministry has pegged the Argentine corn crop at 44.5 MMT, up 4.5 MMT from last year, compared to USDA's estimate of 36.5 MMT which was unchanged from last month. The Chinese government set final antidumping subsidies on DDGs imports from the U.S. this week at 42.2% to 53.7%, up from preliminary duties set earlier this year at 33.8%. They also levied an anti-subsidy duty on DDGs imports of 11.2% to 12%, up from preliminary duties of 10%. Taiwan bouth 130 TMT of US corn this week and there was a reported sale of 241.6 TMT to unknown destination (spread across MY 2016/17 and 17/18

Futures Market trends this week

WHEAT – Wheat markets saw increased volatility this week tied to the value of the dollar, winterkill concerns and positioning ahead of Thursday's major USDA reports, including the first look at 2017 winter wheat acreage. The markets opened the week moderately higher on support from index fund rebalancing and bitterly cold temperatures overspreading

the Central Plains. Although widespread winterkill is not a concern due to mostly adequate snow cover, there is modest weather risk reentering the winter wheat markets. Prices reversed fractionally lower on Tuesday under pressure from a higher dollar and pre-report positioning. Wheat prices continued to grind lower on Wednesday on pressure from early gains in the dollar and forecasts calling for widespread beneficial moisture across the Central and Southern Plains. Prices rebounded sharply higher today (Thursday), with the KC winter wheat market closing at a 6-month high on support from a lower-than-expected 2017 winter wheat acreage estimate from USDA. **Wheat market closes on Thursday, 1/12/2017...**

	Mar 2017	Weekly Summary	May 2017	Weekly Summary	July 2017	Weekly Summary
Chicago SRW	\$4.26 ¹ / ₄	Up \$0.03	\$4.39 ¹ / ₄	Up \$0.04 ¹ / ₂	\$4.53 ¹ / ₂	Up \$0.05 ¹ / ₄
HRW	\$4.44 ³ / ₄	Up \$0.11 ¹ / ₄	\$4.56 ³ / ₄	Up \$0.11 ³ / ₄	\$4.68 ³ / ₄	Up \$0.13 ¹ / ₄
DNS	\$5.74	Up \$0.21 ¹ / ₄	\$5.60 ³ / ₄	Up \$0.13 ³ / ₄	\$5.54 ¹ / ₂	Up \$0.08 ¹ / ₄

CORN – Corn posted modest gains to start the week after a two-sided session, with support from anticipated index fund rebalancing, decent but not exceptional weekly export shipments and a weaker tone in the dollar. Corn prices moved fractionally lower on Tuesday and Wednesday under pressure from new estimates of higher South American crop production and pre-report positioning. Corn closed modestly higher today (Thursday) on spillover support from wheat and soybeans. **Corn futures contract closes on Thursday, 1/12/17... Mar 2017 contract at \$3.58¹/₄, up \$0.00¹/₄ for the week, May 2017 contract closed at \$3.64³/₄, unchanged for the week and the July 2017 contract closed at \$3.71³/₄, up \$0.00¹/₄ for the week.**

CRUDE OIL – Crude oil prices continued to see high volatility this week in line with dollar movements and increasing speculation about whether global production cuts will actually materialize in light of the 10th straight monthly increase in US oil rig counts which could reduce the impacts of OPEC member cutbacks. The U.S. DOE Energy Information Agency reported domestic crude oil inventories increased by 4.097 million bbls compared to an expected increase of 1.5 million bbls. Distillate stocks increased by 8.356 million bbls, while gasoline stocks increased by 5.023 million bbls. **Crude oil futures finished down \$0.98/bbl for the week to close at \$53.01.**

Weather / Crop Conditions –

U.S. – Heavy precipitation and cold temperatures persisted across the PNW and Northern Rockies. Colder temperatures overspread the Upper Midwest late this week, dipping into NE where there appears to be adequate snow cover to protect winter wheat. Heavy precipitation is expected to spread across KS, OK and Northern TX into the weekend, tracking eastward. The 6-10 day outlook calls for near to above normal temperatures across much of the country except the Northern Rockies/Intermountain West and near to above normal precipitation for much of the country, except the Southern Plains which are expected to turn drier in the extended outlook.

INTERNATIONAL -

South America – Argentina saw mostly drier conditions this week although some areas continued to receive precipitation. The forecast shows moisture expanding next week. Growing conditions continue to look generally favorable across most Brazilian production regions.

JOIN US ...Winter 2017 IDAHO GRAIN PRODUCER WEBINARS sponsored by the Idaho Barley and Wheat Commissions...

Jan. 20 at 8 a.m. MST – Reduce Water Use & Power Costs with LESA Irrigation Retrofits – presented by Dr. Howard Neibling, UI Extension Irrigation Engineer

Join at: <https://uidaho.zoom.us/j/720140886>

Feb. 17 at 10 a.m. MST - What’s Your Break-Even Price? UI tools to calculate your cost of production – presented by UI Extension Ag Economist Ben Eborn. Same computer link as above.

REGISTER NOW for 2017 Pre-Harvest Grain Marketing Workshops on Feb. 14-15 in Idaho Falls & Lewiston sponsored by the Idaho Barley Commission, UI Extension and Northwest Farm Credit Services - featuring Ed Usset, ag economist with the Univ. of Minnesota Center for Farm Financial Management and author of “Grain Marketing is Simple; It Just Isn’t Easy

- Feb. 14 – 7:30 a.m. (breakfast) to noon at Hilton Garden Inn, Idaho Falls
 - Feb. 15 – 7:30 a.m. (breakfast) to noon at Lindsay Creek Vineyards, Lewiston
- Registration fee is \$20 per person. Pre-registration is requested - Idaho Falls workshop please call Kelly Olson, Idaho Barley Commission at 208-409-9165
Lewiston workshop please call Ken Hart, UI Lewis Co. Extension at 208-937-2311