

Idaho Grain Market Report, Jan. 12, 2018

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090 HAPPY NEW YEAR!

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Jan. 10, 2018. 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	\$6.25		\$3.74	\$4.95	\$5.96	\$5.10
Idaho Falls		\$8.30 -9.06	\$3.75	\$4.65	\$5.90	\$4.85
Blackfoot / Pocatello		\$6.50	\$3.75	\$4.65	\$5.90	\$4.85
Grace / Soda Springs	\$6.25		\$3.83	\$4.49	\$5.75	\$4.84
Burley / Rupert	\$5.50		\$3.84	\$4.25	\$5.63	\$5.05
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.35		\$3.85	\$4.50	\$5.80	\$4.85
Nampa / Weiser	\$5.75		\$4.20			
Nez Perce / Craigmont	\$4.75		\$4.50	\$4.79	\$6.68	
Lewiston	\$5.25		\$4.76	\$5.05	\$6.94	
Moscow / Genesee	\$4.75-5.20		\$4.53-4.68	\$4.82-5.03	\$6.71-6.91	\$5.03

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. --	Malting	#1 SWW Ord pro -	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			\$5.27 -5.34¼	\$5.85½ -6.00½	\$7.49-7.69	
Los Angeles	\$8.65-9.00					
Tulare	\$8.65-9.00					
Ogden	\$7.00		\$4.05	\$4.80	\$6.15	\$5.15
Great Falls	\$5.25	\$7.50- 7.75		\$5.05-5.16(12%)	\$6.43-6.59	
Minneapolis	\$5.52			\$5.24 (12%)	\$7.54-7.59	

Market trends this week

BARLEY – Local feed barley prices have risen 25 cents since the holiday, while open market malting barley prices remain steady this week. USDA reported there were no barley export sales last week, while barley export shipments totaled 1.3 TMT to Japan.

BARLEY Quarterly Stocks & Monthly S&D Projections - Quarterly U.S. barley stocks are pegged at 155 million bu, down 19% from a year ago. The Sept.–Nov. 2017 indicated disappearance is 24.6 million bu, down 35% from the same period a year earlier. **Idaho barley stocks are pegged at 37.05 million bu, down 20% from a year ago.** USDA made no changes to their monthly barley S&D balance sheet other than to tighten the average farm-gate price to \$4.15-4.85/bu.

WHEAT –USDA reported weekly export sales were below trade expectations at 796.3 TMT (plus 36.9 TMT for MY 2018/19), up 35% from the previous week and up noticeably from the 4-week average. Cumulative wheat export sales have now reached 71.1% of the USDA estimate for the year, compared to a 5-year average pace of 72.7%. Wheat export shipments were also above expectations last week at 576 TMT, up 92% from the previous week and up 88% from the 4-week average.

WHEAT 2018 Winter Wheat Acreage, Quaterly Stocks and Monthly S&D Projections – USDA released a surprisingly bearish 2018 winter wheat seedings estimate of 32.61 million acres, down slightly from last year but ABOVE the pre-report trade estimate of 31.5 million acres. HRW acres are pegged at only 23.1 million acres, down 1.3% from last year, SRW acres at 5.98 million, up 5%, and SWW acres at 3.56 million, up 1.7%. **Idaho winter wheat acres are pegged at**

730,000, up 1% from last year. Quarterly wheat stocks are pegged at 1.87 billion bu, down 10% from the previous year and higher than pre-report trade expectations of 21.851 billion bu. The Sept.–Nov. 2017 indicated disappearance is 393 million bu, down 16% from the same period a year earlier. **Idaho wheat stocks are pegged at 56.99 million bu, down 21.4% from a year ago.** USDA tweaked their monthly wheat S&D balance sheet, increasing imports by 5 million bu to 155 million bu; cutting seed use by 4 million bu to 62 million bu; cutting feed usage by 20 million bu to 100 million bu, resulting in a 29 million bu increase in wheat ending stocks to 989 million bu. This is higher than the average pre-report trade estimate of 959 million bu. The average farm-gate price was left unchanged at \$4.50-4.70/bu. **World wheat production is increased this month by 1.8 MMT to a record 757.0 MMT, up 1% from the previous year. World wheat ending stocks are cut by 0.4 MMT this month to a record 268 MMT, up 6% from last year and in line with trade expectation.**

Wheat Competitor / Buyer News – USDA raised Russian wheat production this month by 2 MMT to 85 MMT and exports by 1.5 MMT to 35.0 MMT. A local Russian agency, IKAR, is projecting Russian wheat exports at 36.6 MMT and will be the largest wheat exporter in the world this marketing year. USDA cut their estimates of wheat exports for Australia by 1.5 MMT to 16.0 MMT and the EU by 1.5 MMT to 27.0 MMT. Ukrainian wheat exports are down 10% this year compared to the same period last year. UkrAgroConsult projects Ukrainian wheat crop could fall to a 4-year low in 2018 due to currently poor conditions and a lack of protective snow cover. After receiving no offers on a wheat import tender in protest of conflicting wheat import specs, Egypt agreed to clarify their specifications and purchased 115 TMT of Russian wheat.

CORN – USDA reported corn export sales were within trade expectations and an improvement from the previous week’s marketing year low at 437.7 TMT, but down 54% from the 4-week average. Cumulative corn export sales have now reached 55.4% of the USDA estimate for the year, compared to a 5-year average pace of 58.9%. Corn export shipments last week were better than expected at 889.8 TMT, up 35% from the previous week and up 38% from the 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported another downtick in weekly U.S. ethanol production—down 3.5% to 996,000 bbls per day and down 5.1% from a year ago. This is the first weekly production below 1 million bbls per day since October. Ethanol stocks increased slightly last week to 22.72 million bbls, up 14% from a year ago. Weekly corn usage for ethanol dipped to 103.5 mbu, below the weekly pace needed to reach USDA’s estimate for MY 2017/18 of 5.525 billion bu.

CORN Quarterly Stocks, Final 2017 Corn Production & Monthly S&D Projections- USDA reports are considered bearish. Quarterly corn stocks are pegged at 12.516 billion bu, up 1% from a year ago and ABOVE the average pre-report trade estimate of 12.429 billion bu. The Sept.–Nov. 2017 indicated disappearance is 4.38 billion bu, down 3% from the same period a year earlier. The USDA pegged final 2017 U.S. corn production at 14.604 billion bu, up 26 million bu from last month, and ABOVE the pre-report trade estimate of 14.580 billion bu. The final 2017 average corn yield was increased by 1.2 bpa to 176.6 bpa. In their monthly corn balance sheet, USDA cut feed use by 25 million bu to 5.55 billion bu, increased food and industrial use by 10 million bu to 6.995 billion bu, resulting in a **40 million bu increase in corn ending stocks to a burdensome 2.477 billion bu and 8% above last year.** This was ABOVE pre-report trade expectations of 2.437 billion bu. The average farm-gate price of corn was tightened to \$2.95-3.55/bu. **World corn production is cut slightly this month to 1,044.6 MMT, down 3% from a year ago. World corn ending stocks are increased by 2.5 MMT this month to 206.57 MMT, down 10% from a year ago but ABOVE trade estimate of 202.6 MMT.**

Corn Competitor/Buyer News – Agrural is pegging the Brazilian corn crop this month at 84.3 MMT vs. CONAB’s latest projection of 92.3 MMT. USDA left their crop estimates for Brazil unchanged at 95 MMT and Argentine crop unchanged at 42 MMT. The Rosario Grain Exchange is projecting the Argentine crop at 39.9 MMT. Chinese government has resumed their weekly corn auctions after prices rocketed to a 2-year high on shortages in key areas of the country.

Futures Market trends this week

WHEAT – Wheat began the week lower on improving weather in the main winter wheat growing region and lingering concerns about large global stocks. Short covering pulled prices higher on Tuesday and Wednesday on concerns about a return to cold weather later in the week across the Central Plains and a report that Australian wheat stocks were lower than expected which led their stats agency to lower last year’s wheat production to 30.4 MMT, below ABARE’s estimate of 35 MMT and USDA estimate of 33.5 MMT. Wheat finished lower on Thursday under pressure from very disappointing wheat export sales. Prices fell double digits on Friday under pressure from bearish wheat quarterly stocks and winter wheat planting intentions reports from USDA. **Wheat futures contract closes on Thursday, 1/11/2018...**

	<u>Mar 2018</u>	<u>Week Change</u>	<u>May 2018</u>	<u>Week Change</u>	<u>July 2018</u>	<u>Week Change</u>
CHI SRW	\$4.33¼	Up \$0.02½	\$4.46¾	Up \$0.04	\$4.58¾	Up \$0.03

KC HRW	\$4.40 ¹ / ₄	Up \$0.02 ³ / ₄	\$4.53 ³ / ₄	Up \$0.02 ³ / ₄	\$4.69 ¹ / ₄	Up \$0.02 ³ / ₄
MGE DNS	\$6.29	Up \$0.02 ¹ / ₄	\$6.35 ¹ / ₄	Up \$0.03	\$6.39	Up \$0.03 ³ / ₄

CORN- Corn finished lower on Monday, posting fresh contract lows, pressured by a round of technical selling and positioning ahead of Friday's final production and quarterly stocks reports. Short covering pulled corn prices modestly higher on Tuesday, but Wednesday and Thursday saw two-sided trading on increased chances for rain in Argentina and more pre-USDA report positioning. Corn finished modestly lower on Friday, shrugging off bearish quarterly and ending stock estimates from USDA, which were largely already factored into current market prices. **Mar. 2018 contract closed on Thursday, 1/11/2018 at \$3.48³/₄, down \$0.02¹/₂ for the week, May 2018 contract closed at \$3.57, down \$0.02¹/₄ for the week and July 2018 contract closed at \$3.65, down \$0.02¹/₂ for the week.**

CRUDE OIL – Crude oil futures continued to grind higher this week, posting the highest prices in 3 years as world supply and demand slowly balances. EIA raised 2018 world oil demand forecast by 100,000 bpd. U.S. weekly production was cut by 290,000 bpd to 9.5 million bpd, despite earlier estimates of U.S. production topping 10 million bpa in the near year. The U.S. EIA reported domestic crude oil stocks fell by 4.948 million bbls last week, compared to an expected decline of 3.9 million bbls. Distillate stocks increased by 4.254 million bbls, compared by an expected increase of 1.5 million bbls. Gasoline stocks increased by 4.135 million bbls, compared to an expected increase of 2.6 million bbls. **Crude oil futures finished up \$2.36/bbl for the week to close at \$63.80/bbl (Feb contract).**

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RECORDED Dec. 1, 2017 WEBINAR... Winter 2018 Weather & Water Outlook featuring Troy Lindquist, NWS Senior Hydrologist. Link at <https://vimeo.com/246010744>

RECORDED March 2017 GRAIN MARKETING WEBINAR... How to Write a Pre-Harvest Grain Marketing Plan, featuring Ed Usset, Univ. of Minnesota. Link at <https://umn.webex.com/cmp3200/webcomponents/jsp/docshow/closewind>