

Idaho Grain Market Report, Jan. 18, 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. 17, 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	\$6.40		\$3.61	\$4.82	\$5.62	\$5.02
Idaho Falls		\$8.30 -9.06	\$3.70	\$4.65	\$5.65	\$4.75
Blackfoot / Pocatello		\$6.50	\$3.70	\$4.65	\$5.65	\$4.75
Grace / Soda Springs	\$6.25		\$3.68	\$4.34	\$5.58	\$4.69
Burley / Rupert	\$6.25		\$3.75	\$4.16	\$5.76	\$5.05
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.30-6.35		\$3.75	\$4.37	\$5.65	\$4.71
Nampa / Weiser	\$6.25		\$4.15			
Nez Perce / Craigmont	\$4.75		\$4.40	\$4.67	\$6.46	
Lewiston	\$5.25		\$4.66	\$4.93	\$6.72	
Moscow / Genesee	\$4.75-5.20		\$4.43-4.56	\$4.70-5.10	\$6.49-6.70	\$5.10

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			\$5.20 -5.30	\$5.72 -5.87	\$7.26 ³ / ₄ -7.46 ³ / ₄	
Los Angeles	\$8.65-9.00					
Tulare	\$8.65-9.00					
Ogden	\$6.75		\$3.90	\$4.65	\$5.98	\$5.10
Great Falls	\$5.25	\$7.50- 7.75		\$5.05-5.16(12%)	\$6.43-6.59	
Minneapolis	\$5.52			\$4.97 (12%)	\$7.31 ³ / ₄ - 7.36	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 75 cents higher, while open market malting barley prices remain steady this week. USDA will reports barley export sales on Friday due to Monday’s MLK holiday.

WHEAT – Local wheat prices were mostly lower this week. SWW prices ranged from 5 to 16 cents lower; HRW prices ranged from minus 15 cents to plus 7 cents; and DNS prices ranged from 15 to 34 cents lower. USDA will report export sales on Friday. 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.

International Grains Council released their latest world grain supply and demand estimates today (1/18/2018), raising MY 2017/18 world wheat production by 8 MMT to 757 MMT (matching USDA’s latest estimate of 757 MMT). World wheat stocks were increased by 5 MMT to 254 MMT, lower than USDA’s estimate of 268 MMT. In their estimate of the new Marketing Year 2018/19, IGC is projecting world wheat production will decline by 2% to 742 MMT and world wheat stocks will fall for the first time in six years.

Wheat Competitor / Buyer News – Ukraine’s year-to-date wheat exports are down 5%, while Russian wheat exports are running 34% ahead of the same pace as last year at 21.8% MMT. Strategie Grains lowered their 2018 EU wheat production forecast this week from 142.3 MMT to 141.6 MMT, based on the lowest planted winter wheat acres in 6 years. Egypt purchased 295 TMT of Russian wheat this week at higher prices than the previous week due to a strengthening

ruble, which is trading at a 7 month high. Egyptian wheat imports are running 45% higher than the same period a year ago, with 80% of their imports supplied by Russia.

CORN – USDA will report corn export sales on Friday. 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 an expected uptick in weekly U.S. ethanol production – up 6.5% or 61,000 bbls/day to 1.061 million bbls/day which is up slightly from a year ago. Ethanol stocks increased just slightly last week to 22.74 million bbls, up 7.7% from a year ago. Weekly corn usage for ethanol improved to 110.4 mbu, above the weekly pace needed to reach USDA’s estimate for MY 2017/18 of 5.525 billion bu. Cumulative year-to-date corn use is currently pegged at 2.18 billion bu.

IGC S&D estimates for world corn... raised current MY 2017/18 world corn production by 14 MMT to 1,054 MMT, compared to USDA’s latest estimate of 1,045 MMT. World corn stocks were increased substantially to 322 MMT, reflecting major revisions to historical Chinese stock data. This estimate is well above USDA’s latest estimate of 207 MMT.

Corn Competitor/Buyer News – UkrAgroConsult lowered their Ukrainian corn production estimate from 25 MMT to 24.7 MMT this week and their corn exports were lowered 3% to 19 MMT. Reports indicate that Chinese buyers booked 6-7 cargoes of Ukrainian corn this week. Agritrend is projecting Argentine corn crop at 38.3 MMT and exports at 23.5 MMT, which are lower than the current USDA estimates of 42 MMT and 29 MMT. These lower estimates are based on lower plantings and a persistent drought in some key growing areas. There are reports this week that the Brazilian government is considering terminating its current 20% import tariff on U.S. ethanol, most likely linked to progress in getting the U.S. to reciprocate by eliminating its ban on Brazilian fresh beef imports.

Futures Market trends this week

WHEAT – Wheat opened the week lower under pressure from follow-through selling triggered by USDA’s winter wheat acreage estimate from the previous Friday, which projects about 1 million more winter wheat acres than the trade expected. Wheat prices rebounded on Wednesday on concerns about possible weather damage to the HRW winter wheat crop after a series of cold snaps have swept through the Central and Southern Plains where protective snow cover has been spotty. Warmer temperatures are expected to return to the key HRW growing areas this week with little prospect for any major precipitation in the short term outlook. Wheat finished mixed to higher today (Thursday), supported by additional short covering triggered by a weaker U.S. dollar which is trading at a 3-year low and projections from the International Grains Council of lower world wheat production and stocks in MY 2018/19. **Wheat futures contract closes on Thursday, 1/18/2018...**

	Mar 2018	Week Change	May 2018	Week Change	July 2018	Week Change
CHI SRW	\$4.25¼	Up \$0.04¾	\$4.38¼	Up \$0.04	\$4.51¼	Up \$0.04¾
KC HRW	\$4.29½	Up \$0.03¼	\$4.43	Up \$0.03¼	\$4.59¼	Up \$0.04
MGE DNS	\$6.10½	Down \$0.02¼	\$6.19¾	Down \$0.03	\$6.26¾	Up \$0.02¼

CORN- Corn posted modest gains on Tuesday, supported by another round of short covering and technical buying. Concerns about lingering dryness across central and southern Argentine growing areas continued continued to support prices mid-week. Corn closed modestly lower today (Thursday) in narrow trading in the face of little fresh news. **Mar. 2018 contract closed on Thursday, 1/18/2018 at \$3.51½, up \$0.05¼ for the week, May 2018 contract closed at \$3.59½, up \$0.04¾ for the week and July 2018 contract closed at \$3.67¾, up \$0.05 for the week.**

CRUDE OIL – Crude oil futures chopped in a narrow range this week. Focus remains on how well global efforts to curb bloated oil stockpiles are working despite higher U.S. production, which is still on target to top 10 million bbls per day early this year. OPEC oil ministers will meet this weekend to discuss their current oil production curbs in light of continued gains in U.S. production. The U.S. EIA reported domestic crude oil stocks fell for the 9th consecutive week by 6.861 million bbls, compared to an expected decline of 3.1 million bbls. Distillate stocks surprisingly fell by 3.887 million bbls, compared by an expected increase of 2.0 million bbls. However, gasoline stock piles continued to increase by 3.62 million bbls, but below the expected increase of 4.0 million bbls. **Crude oil futures finished down \$0.35/bbl for the week to close at \$63.95/bbl (Feb contract).**

NEW...IBC GRAIN MARKETING WORKSHOPS featuring Brian Rydlund, CHS grain analyst and trader, Minneapolis, MN on Feb. 13-14...
Feb. 13 from 9 a.m. to noon at the AmericInn in Rexburg.

Feb. 14 from 9 a.m. to noon at Red Lion Inn in Pocatello.

There is no workshop feel, but we ask that you pre-register by calling Kelly Olson, IBC, at 208.409.9165 or emailing kolson@barley.idaho.gov

IBC WEBINAR SERIES...

RECORDED DEC. 14, 2017 GRAIN MARKETING WEBINAR... **Five Common Mistakes in Grain Marketing** featuring Ed Usset, University of Minnesota Center for Farm Financial Management. Link at <https://umn.webex.com/umn/lsr.php?RCID=ae9df66dac774406b1dd375c7f9e2a30>

RECORDED Dec. 1, 2017 WEATHER 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>