

Idaho Grain Market Report, January 19, 2017

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 18, 2017. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED 48 lbs or better</b>	<b>MALTING Open market malting</b>	<b>Wheat (bu.) Milling #1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg / Ririe	\$5.00-5.25		\$3.50	\$4.00	\$5.40	\$4.23
Idaho Falls	\$5.00	\$8.30 -8.32	\$3.65	\$4.20	\$5.25	\$4.30
Blackfoot / Pocatello		\$6.50	\$3.65	\$4.20	\$5.25	\$4.30
Grace / Soda Springs	\$5.50		\$3.52	\$3.81	\$5.42	\$4.21
Burley / Rupert	\$5.00		\$3.52	\$3.50	\$5.39	\$4.27
Hazelton						
Twin Falls / Buhl / Wendell	\$6.25		\$3.70			
Nampa – Weiser	\$6.00		\$3.37			
Nez Perce / Craigmont	\$3.75		\$3.71	\$4.44	\$6.09	
Lewiston	\$4.25		\$3.97	\$4.70	\$6.35	
Moscow / Genesee	\$3.75-4.25		\$3.74-3.88	\$4.47-4.62	\$6.12-6.26	\$4.62

**Prices at Selected Terminal Markets, cash prices FOB**

	<b>#2 Feed 46 lbs. -- unit trains barge</b>	<b>Malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			<b>Ord pro - \$4.56- 4.71 max 10.5% pro \$4.76</b>	\$5.22¼ -5.47¼	\$6.88½ -7.03½	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65–8.85					
Ogden	\$5.90		\$3.90	\$4.15	\$5.90	\$4.60
Great Falls	\$4.50-4.75	\$6.00		\$4.19-4.41 (12%)	\$5.42-5.83	
Minneapolis	\$4.17	NQ		\$4.97¼ (12%)	\$6.69 – 6.89	

**Market trends this week**

**BARLEY** – Local feed and malting barley prices ranged from steady to 15 cents higher, but mostly steady. USDA will release their weekly export sales report on Friday due to Monday’s holiday.

**WHEAT** – Local wheat prices were higher this week: SWW prices ranged from 8 to 30 cents higher; HRW prices ranged from steady to 36 cents higher; and DNS prices ranged from 7 to 25 cents higher. USDA will report weekly export sales on Friday but wheat export shipments were reported at the low end of trade expectations at 344.4 TMT. Cumulative wheat export shipments have reached 60.8% of the USDA projected exports for the year compared to a five year average of 60.8%.

**Wheat Competitor / Buyer News** – Argentine wheat harvest is reportedly 98% completed with a revised estimate of 15 MMT, in line with USDA’s new projection. Strategie Grains lowered their 2017 EU wheat production estimate this week by 1.2 MMT to 143.8 MMT, which if realized, would be up 6% from the previous year. The cuts were due to winterkill in parts of the Eastern Europe. Morocco has reportedly purchased 359.9 TMT of US soft wheat and 363.6 TMT of EU wheat. Egypt purchased 235 TMT of wheat last weekend – 175 TMT Russian and 60 TMT Romanian. Jordan purchased 50 TMT of optional origin wheat this week, while Ethiopia is seeking 720 TMT of optional origin wheat.

**CORN** – USDA will report weekly export sales on Friday but corn export shipments were reported within trade expectations at 888 TMT. Cumulative corn export shipments have reached 33.3% of the USDA projected exports for the year compared to a five year average of 31.7%.

**Ethanol corn usage** – DOE's Energy Information Agency reported another unexpected uptick in U.S. ethanol production last week to 1,054,000 bbls per day, up another 0.5% from the previous week and up 7.2% from a year ago. Weekly corn usage continued to surpass 110 million bu last week and is above the weekly pace needed to reach USDA's revised projected usage of 5.325 billion bu. Ethanol stocks continued to climb as the export pace to China has fallen sharply in recent weeks on reports of 7 cargoes cancelled on fears that China will raise ethanol import duties from their current preferential rate of 5% to 30% in an effort to encourage use of domestic corn stocks to manufacture ethanol in China. So far this year China has purchased an estimated 19% of total US ethanol exports and represents the third largest buyer behind Canada and Brazil.

**Corn Competitor / Buyer News** – Like Brazil there is a wide range of Argentine corn crop estimates as harvest is set to begin in a few weeks... USDA left their projection of 36 MMT unchanged last week. Prior to this past weekend's damaging precipitation across parts of Buenos Aires, Santa Fe and Cordoba, the Argentine Ag Ministry had pegged their corn crop at 44.5 MMT. This week Argentine Corn & Soybean Advisors lowered their estimate to 34 MMT, in line with many other private crop forecasters. Any shortfalls will be more than made up by an expected bumper Brazilian corn crop estimated this week by Safras at 94.89 MMT, compared to USDA's estimate of 86.5 MMT. The Chinese government reported this week their 2016-17 corn crop totaled 215.4 MMT, down 4% from the previous year and projected their corn imports will fall to 1 MMT. The National Grains & Oilseeds Information Center is projecting Chinese corn imports at 2 MMT compared to USDA's projection this month of 3 MMT, compared to 3.17 MMT the previous year. Reports this week that Indonesian feed millers don't think they will need to import any corn or feedwheat this year due to improved domestic production.

#### Futures Market trends this week

**WHEAT** – Wheat markets finished mixed to higher on Tuesday, posting a 6 month high in KC red winter wheat contract on support from a lower dollar (5 week low), sharply reduced U.S. 2017 plantings and spillover support from a surge in soybeans. Wheat closed mixed on Wednesday in the face of light profit-taking and a rebounding dollar. Wheat prices finished lower today (Thursday), reversing recent gains on corrective selling triggered by overbought technicals and a strengthening dollar. **Wheat market closes on Thursday, 1/19/2017...**

	<b>Mar 2017</b>	<b>Weekly Summary</b>	<b>May 2017</b>	<b>Weekly Summary</b>	<b>July 2017</b>	<b>Weekly Summary</b>
CHI SRW	\$4.23½	Down \$0.02½	\$4.39¼	Down \$0.00½	\$4.55¼	Up \$0.00½
KC HRW	\$4.42¼	Down \$0.06¾	\$4.54¼	Down \$0.06¾	\$4.66	Down \$0.06¾
MGE DNS	\$5.76½	Down \$0.06¼	\$5.64¼	Down \$0.01½	\$5.61	Up \$0.01½

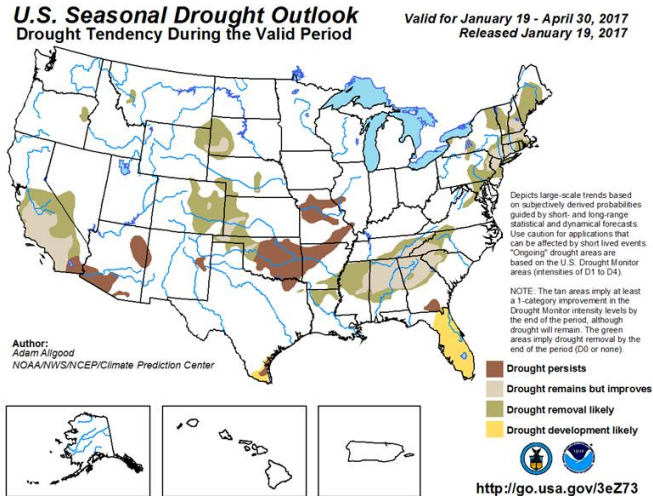
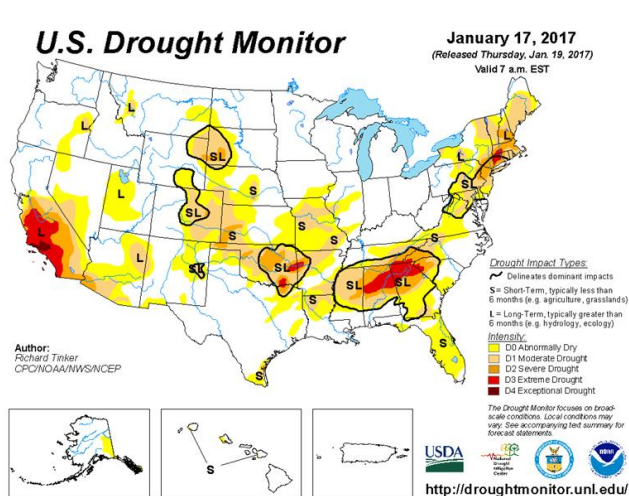
**CORN** – Corn posted strong gains to start the week, reaching 3 month highs on support from a weaker dollar and a surge in soybeans after reported crop losses in Argentina from excessive moisture. Corn finished fractionally lower on Wednesday on pressure from increased farmer hedging on the recent rally and profit-taking triggered by a higher dollar. Corn closed modestly higher today (Thursday) in narrow trading on support from solid demand in the ethanol sector offsetting renewed dollar strength and lower soybeans. **Corn futures contract closes on Thursday, 1/19/17... Mar 2017 contract at \$3.66¼, up \$0.07¾ for the week, May 2017 contract closed at \$3.73¼, up \$0.07¾ for the week and the July 2017 contract closed at \$3.80, up \$0.07½ for the week.**

**CRUDE OIL** – Crude oil prices were under pressure this week from a stronger US dollar and projections of a possible surge in U.S. shale oil production this year. Underlying support came from an International Energy Agency report that showed global oil inventories had already been tightening across developed countries prior to the announced 1.8 million bbl production cuts by OPEC and Russia, which should support prices later this year. The U.S. DOE Energy Information Agency reported domestic crude oil inventories increased by 2.347 million bbls compared to an expected increase of 342,000 bbls. Distillate stocks fell by 968,000 bbls, while gasoline stocks increased by 5.951 million bbls amid weak demand and reached the highest gasoline stockpiles on record for this time of year. The only supportive news was a 1.3 million bbls drawdown in crude oil stockpiles at the Cushing trading hub. **Crude oil futures finished down \$1.00/bbl for the week to close at \$51.37.**

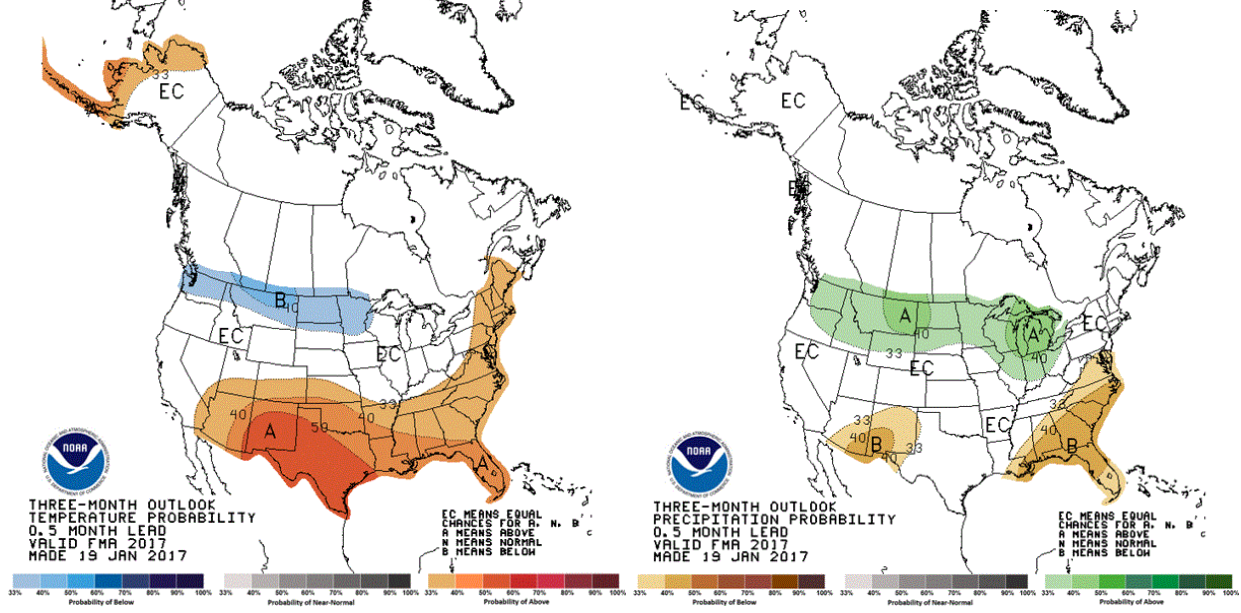
#### Weather / Crop Conditions –

**U.S.** – More of the same... heavy precipitation and cold temperatures persisted across the PNW and Northern Rockies. By contrast, conditions turned milder across the Upper Midwest and much of the central U.S. early this week after a widespread 4-day rain system late last week largely erased drought impacts across the Central and Southern Plains. The next few days will see the current Pacific storm train drift eastward, spreading precipitation northeastward across the central belt into the Mid Mississippi Valley. The 6-10 day outlook calls for above normal temperatures across the eastern

half of the country and colder than normal across the PNW and Intermountain West. Wetter than normal conditions are expected across a wide swath of the central U.S. while the West and PNW are expected to see a respite from recent weeks of heavy precipitation.



**Extended Feb – April Weather Outlook –** The Climate Prediction Center released their updated Feb-April 2017 weather outlook showing below normal temperatures and wetter than normal conditions across the northern border with Canada and warmer than normal across much of the Central and Southern Plains, consistent with the current La Nina cycle.



**INTERNATIONAL -**

**Europe –** A cold snap last month resulted in notable winterkill across Eastern Europe, prompting crop forecasters to lower their 2017 European wheat production estimate by 1.2 MMT this week. Another round of arctic air is expected to move through this region in coming days but there is better protective snow cover.

**South America –** Last weekend parts of Argentina received excessive moisture severely impacting soybean acres and yield potential. Corn production was likely affected to a much smaller degree and will be more than offset by bigger crop estimates for Brazil. Safra's projected the Brazilian corn crop could reach 94.89 MMT, compared to USDA's estimate of 86.5 MMT. Corn harvest will begin in a few weeks.

**JOIN US for a webinar on Friday, Jan. 20 at 8:00 a.m. MST - Reduce Water Use & Power Costs with LESA Irrigation Retrofits –** presented by Dr. Howard Neibling, UI Extension Irrigation Engineer. Participation link is <https://uidaho.zoom.us/j/720140886>

**REGISTER NOW for 2017 Workshop on Five Common Mistakes in Grain Marketing 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 – 8:30 a.m. (breakfast) to 10 a.m. at Fort Hall Convention Center, Fort Hall (note change in time and location)**
  - **Feb. 15 – 8:30 a.m. (breakfast) to 10 a.m. 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**