

Idaho Grain Market Report, January 26, 2017

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, January 25, 2017. 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% pro	#1 DNS 14% pro	#1 HWW
Rexburg / Ririe	\$5.00-5.25		\$3.40-3.50	\$3.92	\$5.25	\$4.00-4.14
Idaho Falls	\$5.00	\$8.30 -8.32	\$3.60	\$4.10	\$5.15	\$4.20
Blackfoot / Pocatello		\$6.50	\$3.60	\$4.10	\$5.15	\$4.20
Grace / Soda Springs	\$5.50		\$3.47	\$3.69	\$5.18	\$4.09
Burley / Rupert	\$5.00		\$3.48	\$3.45	\$5.22	\$4.13
Hazelton						
Twin Falls / Buhl / Wendell	\$6.25		\$3.65			
Nampa – Weiser	\$6.25		\$3.44			
Nez Perce / Craigmont	\$3.75		\$3.76	\$4.33	\$6.00	
Lewiston	\$4.25		\$4.02	\$4.59	\$6.26	
Moscow / Genesee	\$3.75-4.25		\$3.79-3.93	\$4.36-4.51	\$6.03-6.18	\$4.51

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 - \$4.65¼ - 4.66 max 10.5% pro NQ	\$5.23¼ -5.48¼	\$6.76¼ -6.91¼	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65–8.85					
Ogden	\$6.00		\$3.85	\$4.00	\$5.50	\$4.50
Great Falls	\$4.50-4.75	\$6.00		\$4.04-4.26 (12%)	\$5.31-5.57	
Minneapolis	\$4.17	NQ		\$4.82¼ (12%)	\$6.38¼ – 6.73¼	

Market trends this week

BARLEY – Local feed and malting barley prices were steady. USDA reported weekly barley export sales at 200 MT to Taiwan and no barley exports last week.

WHEAT – Local wheat prices were lower this week: SWW prices ranged from steady to 5 cents lower; HRW prices ranged from 5 to 12 cents lower; and DNS prices ranged from 8 to 24 cents lower. USDA reported wheat export sales were more than two times greater than trade expectations at 853.4 TMT (plus MY 2017/18 sales of 103.9 TMT), up noticeably from the previous 4-week average and a marketing year high. They reported wheat exports totaled 296.7 TMT, down 25% from the previous week and down 20% from the prior 4-week average.

Wheat Competitor / Buyer News – Argentine Ag Ministry is projecting their wheat crop at 16.5 MMT compared to USDA's estimate of 15.0 MMT, with 10 MMT estimated to be available for export, up 15% from a year ago. Russian grain exports in December fell from 4.05 MMT the previous month to 3.18 MMT due to weather interruptions and the rising value of the ruble. Their exports are projected to decline to 2.4 MMT in January. However, Egypt purchased 410 TMT of Russian wheat on Thursday. Iraq is seeking 50 TMT of US, Canadian or Australian wheat.

CORN – USDA reported corn export sales were stronger than expected at 1.37 MMT (plus MY 2017/18 sales of 21 TMT), up 2% from the previous week and up 63% from the prior 4-week average. Corn exports totaled 978.5 TMT, up 6% from the previous week and up 22% from the prior 4-week average. Informa is estimating 2017 corn acreage at 90.15 million acres, average yields of 170.4 bpa and production of 14.17 bbu, down 6.5% from 2016.

Ethanol corn usage – DOE's Energy Information Agency reported a modest downtick in U.S. ethanol production last week to 1,051,000 bbls per day, down 3,000 bbls or -0.3% but up 7.4% from a year ago. Due to increasing ethanol stocks, which topped 21.7 million bbls last week (up 3% from the previous week), processing margins have declined to the lowest level since October. Stocks are on the rise due to slack export demand resulting from China's decision to increase import tariffs from 5 to 30% and uncertainty surrounding the fate of the domestic Renewable Fuels Standard blending mandate after the Trump Administration put all pending EPA rules on hold. 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.

Corn Competitor / Buyer News – Rabobank has lowered their Argentine corn production estimate from 36 MMT to 34 MMT. The Buenos Aires Grain Exchanges reports that more than 98% of the projected 4.9 million ha of corn have been planted with estimates of possible flooding damage to about 160,000 ha. China's corn imports in 2016 are estimated at 3.168 MMT, down 33% from 2015. Reports this week that China's Sinograin agency, which manages their government corn stockpiling program, is preparing to buy 10 MMT of Chinese corn after the Chinese New Year holiday next week, which seems to contradict an earlier decision to officially end their government corn stockpiling program in favor of subsidizing corn processing.

Futures Market trends this week

WHEAT – Wheat markets finished mixed to higher to start the week, with the winter wheat contracts leading the gains on support from a lower dollar and lower 2017 acreage. Wheat futures posted a bearish reversal lower on Tuesday and Wednesday under pressure from increased dollar volatility, weaker corn and negative technicals. Despite a stronger dollar, wheat prices finished higher today (Thursday), buoyed by much stronger than expected export sales. **Wheat market closes on Thursday, 1/26/2017...**

	Mar 2017	Weekly Summary	May 2017	Weekly Summary	July 2017	Weekly Summary
CHI SRW	\$4.27	Down \$0.01 ¹ / ₄	\$4.40 ¹ / ₂	Down \$0.02 ³ / ₄	\$4.55	Down \$0.03 ¹ / ₂
KC HRW	\$4.40 ¹ / ₄	Down \$0.02 ³ / ₄	\$4.52 ¹ / ₂	Down \$0.02 ¹ / ₂	\$4.64 ¹ / ₂	Down \$0.02
MGE DNS	\$5.66 ³ / ₄	Down \$0.01 ³ / ₄	\$5.58 ¹ / ₂	Down \$0.02	\$5.58 ¹ / ₄	Down \$0.00 ¹ / ₄

CORN – Corn closed fractionally mixed on Monday under pressure from lower soybeans and support from a lower dollar and solid export shipments. Corn prices chopped lower on Tuesday under profit-taking pressures triggered by a firmer dollar. Corn posted modest gains on Wednesday after early weakness spurred some bargain buying. Gains were limited by fears of slowing ethanol and export demand that may result from possible Trump Administration actions on the RFS and trade agreements which have provided significant market access for U.S. corn into key markets like Mexico. Corn settled modestly lower today (Thursday) under the weight of a higher dollar and negative outside sentiment driven by fears of escalating tensions with Mexico who is a top buyer of U.S. corn. **Corn futures contract closes on Thursday, 1/26/17... Mar 2017 contract at \$3.63³/₄, down \$0.06 for the week, May 2017 contract closed at \$3.71, down \$0.05¹/₄ for the week and the July 2017 contract closed at \$3.78, down \$0.05 for the week.**

CRUDE OIL – Crude oil prices traded in a narrow range this week, trapped between underlying support from OPEC's oil production cuts which are largely underway and pressure from U.S. production increases as domestic rig counts are on the rise. The U.S. DOE Energy Information Agency reported domestic crude oil inventories increased by 2.84 million bbls, which was in line with trade expectations. Distillate stocks increased by 76,000 bbls, compared to an expected decline of 1.0 million bbls and gasoline stocks increased by 6.796 million bbls, compared to an expected increase of only 500,000 bbls. Gasoline demand is weaker than expected, trending down 5% from year ago levels. **Crude oil futures finished up \$1.36/bbl for the week to close at \$53.78.**

Weather / Crop Conditions –

U.S. – The PNW continued to receive widely scattered snowfall and cold temperatures this week, with the low pressure system tracking eastward and bringing heavy snow accumulation across parts of the north central plains, including NE and SD where dryness has been a concern. By contrast much of the central U.S. saw cool breezy but mostly mild conditions this week. The 6-10 day outlook calls for above normal temperatures and below normal precipitation for much of the country except the Northwest, which is expected to remain wet and cold. Another round of storms are expected to track across CA into the Interior Northwest and Northern Plains next week.

INTERNATIONAL -

South America – Argentina turned warmer and drier this week, improving corn and soybean crop conditions. By contrast

widespread rains are expected across Brazil's northeastern crop region during the next 10 days which could slow soybean harvest and delay second crop corn planting.

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 from Idaho Falls Hilton Garden Inn)
 - 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