

Idaho Grain Market Report, February 2, 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, February 1, 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	\$5.25		\$3.40-3.54	\$3.95	\$5.31	\$4.20-4.45
Idaho Falls	\$5.25	\$8.30 -8.32	\$3.65	\$4.10	\$5.15	\$4.20
Blackfoot / Pocatello		\$6.50	\$3.65	\$4.10	\$5.15	\$4.20
Grace / Soda Springs	\$5.50		\$3.43	\$3.60	\$5.07	\$4.00
Burley / Rupert	\$5.00		\$3.56	\$3.40	\$5.19	\$4.15
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.25 -6.30		\$3.70-3.90	\$3.98	\$5.30	\$4.35
Nampa – Weiser	\$6.25		\$3.65			
Nez Perce / Craigmont	\$3.75		\$3.76	\$4.39	\$6.00	
Lewiston	\$4.25		\$4.02	\$4.65	\$6.26	
Moscow / Genesee	\$3.75-4.25		\$3.79-3.93	\$4.42-4.56	\$6.03-6.17	\$4.56

**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 - \$4.64 - 4.73¼ max 10.5% pro \$4.78¼</b>	\$5.20½ -5.45½	\$6.70¼ -6.89¼	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65–8.85					
Ogden	\$6.00		\$3.85	\$3.95	\$5.60	\$4.50
Great Falls	\$4.50-4.75	\$6.00		\$4.10-4.29 (12%)	\$5.39-5.58	
Minneapolis	\$4.17	NQ		\$4.85½ (12%)	\$6.39 – 6.69	

**Market trends this week**

**BARLEY** – Local feed and malting barley prices were steady. USDA reported there were no barley export sales or shipments last week.

**WHEAT** – Local wheat prices were mixed but mostly higher this week: SWW prices ranged from minus 4 cents to plus 8 cents; HRW prices ranged from minus 9 cents to plus 6 cents; and DNS prices ranged from minus 11 cents to plus 6 cents. USDA reported wheat export sales were within trade expectations at 451.2 TMT (plus MY 2017/18 sales of 59 TMT), down 47% from the previous week but up 8% from the previous 4-week average. They reported wheat exports at 324.2 TMT, up 9% from the previous week and up 1% from the prior 4-week average.

**Wheat Competitor / Buyer News** – Private Russian sources are projecting the 2017 Russian crop will decline about 9% to 67 MMT this year due to winterkill. The Russian Ag Ministry, however, downplayed the threat, suggesting that only 650,000 hectares out of total planted areas of 17.4 million is likely impacted. Ag Canada projected the 2017 Canadian wheat crop at 29.1 MMT, down 2.6 MMT from last year. Egypt purchased 410 TMT of Russian wheat this week, with their overall wheat purchases running 22% above the same time frame last year.

**CORN** – USDA reported corn export sales were within trade expectations at 1.144 MMT (plus MY 2017/18 sales of 14 TMT), down 17% from the previous week but up 21% from the prior 4-week average. Corn export shipments were softer at 764.6 TMT, down 22% from the previous week and down 5% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported an uptick in U.S. ethanol production last week to a new record 1,061,000 bbls per day, up 10,000 bbls or +0.95% and up 10.6% from a year ago, despite poor processing margins. Ethanol stocks continue to rise, topping 21.87 million bbls last week, up 0.7% from the previous week and up 2.2% from the previous year. Weekly corn usage surpassed 111 million bu last week and is above the weekly pace needed to reach USDA's projected usage of 5.325 billion bu. Cumulative corn use is estimated at 2.27 billion bu.

**Corn Competitor / Buyer News** – Brazil's second crop corn is reportedly 10.2% planted, ahead of average pace of 4.7%. Bird flu has reached unprecedented levels across more than 40 countries in Europe, Africa and Asia, which is resulting in major bird culls and reduced feedgrain and meal consumption. The EU cut their corn beginning stocks by a sizeable amount this week – down 5.95 MMT to 9.95 MMT – due to stronger ethanol usage in recent years.

#### Futures Market trends this week

**WHEAT** – Wheat markets opened the week solidly lower under spillover pressure from soybeans and increased volatility in the dollar. Winter wheat futures finished higher on Tuesday on support from a sharply weaker dollar and spread trading between winter and spring wheat contracts. Wheat prices soared on Wednesday, boosted by renewed geopolitical tensions between Ukraine and Russia and more fund rebalancing. Stronger than expected export sales pushed wheat prices higher again today (Thursday) although gains were trimmed into the close on pressure from a firming dollar. **Wheat market closes on Thursday, 2/02/2017...**

	<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	\$4.34½	Up \$0.14	\$4.47	Up \$0.12½	\$4.60¾	Up \$0.11½
KC HRW	\$4.43½	Up \$0.09¼	\$4.56	Up \$0.09½	\$4.68¼	Up \$0.09¾
MGE DNS	\$5.61	Up \$0.01	\$5.58¾	Up \$0.02¾	\$5.61¼	Up \$0.05½

**CORN** – Corn posted moderate losses on Monday under spillover pressure from soybeans and improved South American weather. Prices turned modestly higher on Tuesday on end of the month positioning and a sharp break in the dollar. Corn prices settled solidly higher on Wednesday on record weekly ethanol production which triggered short covering and buy stops. Corn finished fractionally lower in two sided trading today (Thursday) as early follow-through buying evaporated on late session profit-taking sparked by a firmer dollar. **Corn futures contract closes on Thursday, 2/02/17... Mar 2017 contract at \$3.67½, up \$0.05 for the week, May 2017 contract closed at \$3.75, up \$0.05¼ for the week and the July 2017 contract closed at \$3.82, up \$0.05½ for the week.**

**CRUDE OIL** – Crude oil prices shrugged off higher than expected domestic inventories this week to grind higher, boosted by a weaker dollar for much of the week. On Tuesday the dollar posted a two and half month low. Gains eroded today on pressure from a large domestic inventory and strengthening dollar. The U.S. DOE Energy Information Agency reported domestic crude oil inventories continued to climb – up 6.466 million bbls compared to an expected build of 3.3 million bbls. Distillate stocks increased by 1.568 million bbls, compared to an expected decline of 903,000 bbls and gasoline stocks increased by 3.861 million bbls, compared to an expected increase of 1.0 million bbls. Gasoline demand remains seasonally weak at nearly 6% below a year ago. **Crude oil futures finished up \$0.37/bbl for the week to close at \$53.54**

#### **Weather / Crop Conditions –**

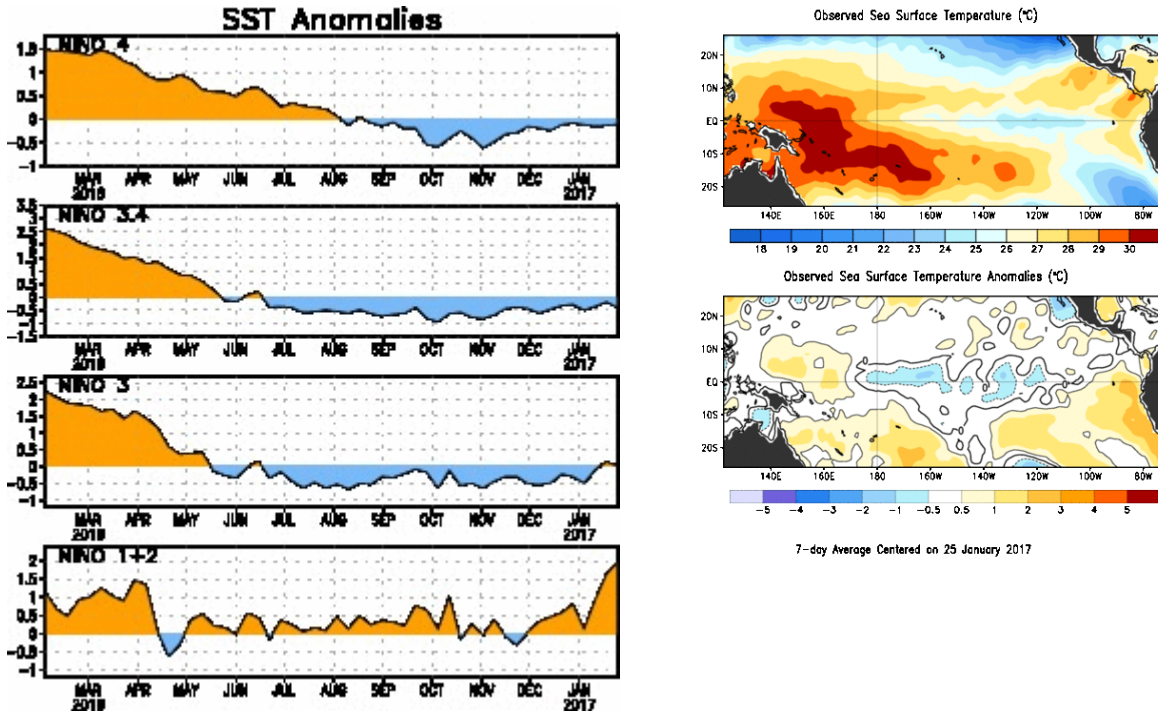
**U.S.** – More wintry precipitation fell across the Intermountain West and Northern Rockies this week. The extended outlook remains wet but is looking warmer (welcome change for southern Idaho residents). The Plains were mostly cold and dry this week with the southern winter wheat region now devoid of any protective snow cover. One-fifth of the winter wheat crop is rated poor to very poor based on state crop reports issued this week. Cold breezy conditions replaced previously mild conditions across much of the Corn Belt. The 6-10 day outlook calls for above normal temperatures and above normal precipitation (except for the Southern Plains) for much of the country.

#### **INTERNATIONAL -**

**South America** – Major precipitation swept across much of Brazil this week, slowing soybean harvest in some areas and delaying second crop corn planting, although the overall second crop corn planting pace is running ahead of average. The wet forecast is expected to continue across much of Brazil for next week, improving crop prospects. Argentina was mostly warm and dry but rains were expected at the end of this week and into next week. The central growing region is trending too dry and could benefit from rains.

**La Ninã Advisory** – La Ninã conditions have been present since late summer 2016 (below average equatorial sea

surface temperatures in the eastern Pacific Ocean), but NOAA recently issued a revised advisory this week that noted equatorial sea surface temperatures are trending above average in the far eastern Pacific Ocean (as depicted below) and that we can expect a **transition to ENSO neutral conditions through the first half of 2017**. What does that mean for Idaho agriculture. At this point it means there is equal chances of average and below average temperatures and precipitation.



**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. (continental breakfast) to 10 a.m. at Fort Hall Convention Center, Fort Hall** Registration fee is \$20 per person. Pre-registration is requested – Fort Hall workshop please call Kelly Olson, Idaho Barley Commission at 208-409-9165
- **Feb. 15 – 8:00 a.m. (breakfast) to 10 a.m. at Lindsay Creek Vineyards, Lewiston** Pre-registration requested – Lewiston workshop please call Ken Hart, UI Lewis Co. Extension at 208-937-2311