

Idaho Grain Market Report, February 9, 2017

Published weekly by the Idaho Barley Commission, 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 8, 2017. 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	\$5.25		\$3.55	\$3.95	\$5.30	\$4.16
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		\$3.55	\$3.69	\$5.17	\$4.09
Burley / Rupert	\$5.00		\$3.53	\$3.52	\$5.25	\$4.17
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.25 -6.40		\$3.50-3.55	\$3.75	\$5.17	\$4.15
Nampa – Weiser	\$6.00		\$3.55			
Nez Perce / Craigmont	\$3.75		\$3.81	\$4.39	\$6.02	
Lewiston	\$4.25		\$4.07	\$4.65	\$6.28	
Moscow / Genesee	\$3.75-4.25		\$3.84-4.01	\$4.42-4.57	\$6.05-6.20	\$4.57

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 - \$4.64 - 4.72½ max 10.5% pro \$4.77½	\$5.22 -5.47	\$6.72½ -6.92½	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65-8.85					
Ogden	\$5.85		\$3.90	\$3.95	\$5.50	\$4.50
Great Falls	\$4.50-4.75	\$6.00		\$4.17-4.31 (12%)	\$5.42-5.61	
Minneapolis	\$4.17	NQ		\$4.87 (12%)	\$6.47¼ - 6.72¼	

Market trends this week

BARLEY – Local feed and malting barley prices were mostly steady. USDA reported there were no barley export sales last week and export shipments totaled 100 MT to Japan.

BARLEY MY 2016/17 S&D Projections - USDA made no changes to their barley S&D balance sheet other than to tighten the average farm-gate price to \$4.70-5.20/bu.

WHEAT – Local wheat prices were mixed but mostly higher this week: SWW prices ranged from minus 20 cents to plus 12 cents; HRW prices ranged from minus 23 cents to plus 12 cents; and DNS prices ranged from minus 13 cents to plus 10 cents. USDA reported wheat export sales were within trade expectations at 527.3 TMT (plus MY 2017/18 sales of 16.3 TMT), up 17% from the previous week and up 9% from the previous 4-week average. USDA reported wheat exports at 606.1 TMT, up 87% from the previous week and up noticeably from the prior 4-week average.

WHEAT MY 2016/17 S&D Projections - USDA's report was considered supportive... they lowered US and world ending stocks more than the trade anticipated. USDA cut domestic food use by 3 million bu to 960 million bu and raised exports by 50 million bu to 1.025 billion bu, resulting in a **47 million bu cut in U.S. ending stocks to a 1.139 billion bu**, the highest stocks since the late 1980s but **BELOW the average pre-report trade estimates of 1.176 billion bu**. The

average farm-gate price was raised modestly on both ends to \$3.80-3.90/bu. **World wheat production is cut by 4.2 MMT to 748.2 MMT, due to smaller crops in India and Kazakhstan. World wheat ending stocks are cut by 4.7 MMT this month to 248.6 MMT, BELOW trade expectations of 253 MMT. Stocks are still 3% above last year.**

Wheat Competitor / Buyer News – Stats Canada pegged Canadian wheat stocks at 25.03 MMT, up 17% from the previous year. Most years Brazil is a major wheat importer but this week there were reports that Brazil exported 338 TMT of wheat in December and 244 TMT in January.

CORN – USDA reported corn export sales were on the low end of trade expectations at 971.7 TMT (plus MY 2017/18 sales of 34.5 TMT), down 15% from the previous week and down 13% from the prior 4-week average. Corn export shipments were stronger at 1.125 MMT, up 47% from the previous week and up 34% from the prior 4-week average.

CORN MY 2016/17S&D Projections- USDA report is considered neutral to friendly...they increased food and industrial use by 35 million bu to 6.795 billion (ethanol use up 25 million bu to 5.35 billion bu) and **cut ending stocks by 35 million bu cut to a still burdensome 2.32 billion bu.** This was BELOW pre-report trade estimates of 2.335 billion bu. The average farm-gate price of corn was tightened to \$3.20-3.60/bu. **World corn production is increased by 2.3 MMT to a new record 1,040.2 MMT, up 8% from a year ago. World corn ending stocks are cut by 3.4 MMT this month, due to increased Chinese feed use, to 217.6 MMT, BELOW trade estimate of 220.5 MMT. World corn stocks are 3% above the previous year.**

Ethanol corn usage – DOE's Energy Information Agency reported a small downtick in U.S.ethanol production last week to 1,055,000 bbls per day, down 6,000 bbls or -0.6% but up 9% from a year ago. Ethanol stocks continue to rise, reaching 22 million bbls last week, up 0.98% from the previous week but down 3.8% from the previous year. Weekly corn usage totaled more than 110.78 million bu last week and is above the weekly pace needed to reach USDA's projected usage of 5.35 billion bu. Cumulative corn use is estimated at 2.38 billion bu.

Corn Competitor / Buyer News – CONAB released a new official Brazilian corn crop estimate this week at 87.4 MMT which is line with most private trade estimates. USDA left their crop estimate unchanged today at 86.5 MMT. Rosario Grain Exchange is projecting the Argentine corn crop at 36.5 MMT, the same estimate as USDA. The average private trade estimate is 35.8 MMT. The CNGOIC is projecting Chinese corn use is up 21 MMT this year to a record 197.6 MMT. Reports this week that the Chinese government is retooling its farm policies to encourage more corn use for ethanol and plastics and a shift in acreage away from corn to soybeans and dairy.

Futures Market trends this week

WHEAT – Wheat markets opened the week moderately lower under profit-taking pressures triggered by a strengthening dollar. Prices rebounded moderately higher on Tuesday and Wednesday on short covering ahead of Thursday's monthly S&D report which was expected to show slightly lower carryover stocks. Wheat posted a seven month high today (Thursday) with double digit gains attributed to impressive weekly export sales and a bigger than expected cut in both domestic and world wheat stocks. **Wheat market closes on Thursday, 2/09/2017...**

	Mar 2017	Weekly Summary	May 2017	Weekly Summary	July 2017	Weekly Summary
CHI SRW	\$4.43½	Up \$0.13¼	\$4.55¼	Up \$0.12¼	\$4.67	Up \$0.10¾
KC HRW	\$4.51¼	Up \$0.10¾	\$4.63½	Up \$0.10	\$4.75	Up \$0.09¼
MGE DNS	\$5.68½	Up \$0.10¼	\$5.66½	Up \$0.10½	\$5.67¼	Up \$0.07¾

CORN – Corn posted small losses on Monday with spillover support from stronger beans mostly offsetting pressure from a rising dollar. Fresh fund buying drove corn prices higher on Tuesday in positioning ahead of the monthly S&D report due for release on Thursday. Corn extended modest gains on Wednesday in two sided trading. Corn finished modestly lower today (Thursday) under spillover pressure from lower soybeans despite early support from a mostly supportive S&D report. **Corn futures contract closes on Thursday, 2/09/17... Mar 2017 contract at \$3.69½, up \$0.04¼ for the week, May 2017 contract closed at \$3.77¼, up \$0.04½ for the week and the July 2017 contract closed at \$3.84, up \$0.04¼ for the week.**

CRUDE OIL – Crude oil prices were under pressure this week from a strengthening dollar and bigger than expected jump in domestic inventories. The U.S. DOE Energy Information Agency reported domestic crude oil inventories increased by 13.83 million bbls compared to an expected build of 2.5 million bbls. Distillate stocks increased by 29,000 bbls, compared to an expected increase of 300,000 bbls while gasoline stocks decreased by 869,000 bbls, compared to an expected increase of 1.1 million bbls. **Crude oil futures finished down \$0.83/bbl for the week to close at \$53.00.**

Weather / Crop Conditions –

U.S. – Precipitation continued to overspread the PNW, Intermountain West and Northern Rockies but warming temperatures are threatening flooding in several areas. Another storm system is expected to move into the region from the Pacific Ocean by this weekend. The extended outlook looks wet and warm. The Midwest was mostly cold and dry with warm and windy conditions across the Central and Southern Plains eroding most protective snow cover. The 6-10 day outlook calls for above normal temperatures and below normal precipitation for much of the country, except continued moisture across the far west.

INTERNATIONAL -

Black Sea / Ukraine – Cold temperatures this week are being watched for possible winterkill, although most areas are believed to have adequate snow cover.

South America – Light showers continued to blanket many growing regions across Brazil, slowing second crop corn planting. Northern Argentine growing areas expected to receive moderate to heavy precipitation mid week with more showers in the extended outlook.

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

UPCOMING WEBINARS

- **Feb. 17 at 10 a.m. MST** - What’s Your Break-Even Price? UI tools to calculate your cost of production – presented by UI Extension Ag Economist Ben Eborn. **Participation link** <https://uidaho.zoom.us/j/720140886>.
- **Feb. 28 at 7 p.m. MST** - How to Write a Pre-Harvest Grain Marketing Plan - presented by Ed Usset, Univ. of Minnesota Center for Farm Financial Management. **Participation link** <https://umn.webex.com/umn/j.php?MTID=m0826bf268d041cfe4dee9433ecbd9532>
Meeting number: 748 167 356