

Idaho Grain Market Report, March 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, March 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	\$5.00- 5.70		\$3.50-3.56	\$4.31	\$5.26	\$4.40-4.60
Idaho Falls		\$8.30 -8.33	\$3.65	\$4.40	\$5.20	\$4.50
Blackfoot / Pocatello		\$6.50	\$3.65	\$4.40	\$5.20	\$4.50
Grace / Soda Springs	\$5.50		\$3.53	\$3.76	\$5.11	\$4.16
Burley / Rupert	\$5.00		\$3.50	\$3.82	\$5.30	\$4.47
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.50		\$3.40-3.60	\$3.82	\$5.17	\$4.35
Nampa – Weiser	\$6.00		\$3.85			
Nez Perce / Craigmont	\$3.75		\$4.01	\$4.64	\$6.01	
Lewiston	\$4.25		\$4.27	\$4.90	\$6.27	
Moscow / Genesee	\$3.75-4.40		\$4.04-4.18	\$4.67-4.81	\$6.04-6.24	\$4.81

**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 - \$4.77 - 4.92 max 10.5% pro \$4.77 - 4.97</b>	\$5.57¼ - 5.80 ¼	\$6.68½ - 6.96½	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65-8.85					
Ogden	\$6.00		\$3.88	\$4.11	\$5.50	\$4.61
Great Falls	\$4.50-4.75	\$6.00		\$4.32-4.44 (12%)	\$5.26-5.53	
Minneapolis	\$4.17	NQ		\$5.17¼ (12%)	\$6.46½ - 6.71½	

**Market trends this week**

**BARLEY** – Local feed barley prices were steady to 20 cents higher this week. Local open market malting barley prices were steady. USDA reported barley export sales totaled 600 MT last week to Taiwan, Japan and South Korea (plus MY 2017/18 sales of 4.4 TMT to Japan). Barley export shipments totaled 700 TMT to Japan and Taiwan.

**WHEAT** – Local wheat prices were higher this week: SWW prices ranged from steady to plus 13 cents; HRW prices ranged from 7 to 30 cents higher; and DNS prices ranged from 2 to 11 cents higher. USDA reported wheat export sales were below trade expectations at 353.2 TMT (plus MY 2017/18 sales of 78.8 TMT), down 22% from the previous week and down 28% from the previous 4-week average. Wheat export shipments were stronger at 540 TMT, down 14% from the previous week but up 14% from the prior 4-week average.

US winter wheat acres are projected down 10% to a 100+ year low. If yields are subpar due to dryness across the Central and Southern Plains it is possible that US wheat ending stocks will dip below 800 million bushels compared to 1.14 billion bushels this year.

**Wheat Competitor / Buyer News** – Ukraine wheat export pace remains very brisk, with 13.56 MMT wheat exported so far this year, up 1.7 MMT from the same period a year ago. Southern Hemisphere wheat crops exceeded expectations

this marketing year...Australian crop is pegged at 35.1 MMT (USDA 33.0 MMT) and the Argentine crop at 18.0 MMT (USDA 15.0 MMT) which together are 48% above the previous year. Attention is now shifting to the 2017 Northern Hemisphere crop...with the EU projecting their soft wheat crop at 143 MMT, up 6.5% from last year. India has reimposed its 25% wheat import tax due to record new crop wheat production. Egypt continued its large wheat purchases this week, buying 535 TMT of wheat from multiple origins - Russia 235 TMT, Romania 120 TMT, France 120 TMT and Ukraine 60 TMT. International tender line-up is strong...Libya is seeking 100 TMT of wheat and Jordan is seeking 100 TMT wheat

**CORN** – USDA reported corn export sales were below trade expectations last week at 692.4 TMT (plus MY 2017/18 sales of 20.6 TMT), down 7% from the previous week and down 24% from the prior 4-week average. This trend is likely to continue as South American crops come to market. Corn export shipments were much better at 1.498 MMT – a marketing high – up 24% from the previous week and up 38% from the prior 4-week average.

**Ethanol corn usage** – DOE’s Energy Information Agency reported U.S.ethanol production last week remained steady at 1,034,000 bbls per day, up 4.8% from a year ago. Ethanol stocks continued to climb to 23.1 million bbls last week, up 1.9% from the previous week and up 2.0% from the previous year. Weekly corn usage remained steady at 108.6 million bu last week, which is still well above the weekly pace needed to reach USDA’s projected usage of 5.35 billion bu. Cumulative corn use is estimated at 2.71 billion bu.

**Corn Competitor / Buyer News** – Brazilian crop consultant is pegging their corn crop at 93 MMT (USDA 86.5 MMT) and Argentine crop at 37 MMT (USDA 36.5 MMT). Brazil’s second crop corn is estimate to be 57.3% planted compared to 73% a year ago. If these large crops are realized, South American corn production will increase 35% from the previous year. Japanese end users are having to dip into domestic corn reserves due to delayed corn shipments from the PNW this winter, with 11 feedmakers submitting bids to acquire about 330 TMT this week. Israel is tendering to buy 85 TMT of corn and Libya is tendering for 75 TMT.

**Futures Market trends this week**

**WHEAT** – Wheat markets opened the week sharply lower on fund selling. Wheat prices rebounded sharply higher on Tuesday and Wednesday on strong Egyptian wheat purchases and concerns about expanding dryness in the Central and Southern Plains that now covers at least 37% of the HRW region compared to 26% a year ago. Wheat finished lower today (Thursday) under pressure from profit-taking sparked by weaker than expected export sales and a stronger dollar which posted a 7-week high. **Wheat market closes on Thursday, 3/02/2017...**

	<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	\$4.32	Up \$0.00 <sup>3</sup> / <sub>4</sub>	\$4.52 <sup>3</sup> / <sub>4</sub>	Up \$0.04 <sup>3</sup> / <sub>4</sub>	\$4.67	Up \$0.05
KC HRW	\$4.60 <sup>1</sup> / <sub>4</sub>	Up \$0.06 <sup>1</sup> / <sub>2</sub>	\$4.70 <sup>1</sup> / <sub>4</sub>	Up \$0.03 <sup>3</sup> / <sub>4</sub>	\$4.81 <sup>3</sup> / <sub>4</sub>	Up \$0.03 <sup>1</sup> / <sub>4</sub>
MGE DNS	\$5.40 <sup>1</sup> / <sub>4</sub>	Down \$0.04 <sup>1</sup> / <sub>2</sub>	\$5.53	Down \$0.00 <sup>3</sup> / <sub>4</sub>	\$5.58 <sup>3</sup> / <sub>4</sub>	Down \$0.00 <sup>1</sup> / <sub>4</sub>

**CORN** – Corn finished modestly lower on Monday under technical pressure. But prices rebounded sharply higher on Tuesday and Wednesday buoyed by an end of month surge in fund buying and rumors of a Trump Executive Order that would change the RFS obligation from refiners to gasoline wholesalers that would boost corn demand. This rumor was never substantiated. Corn prices closed modestly lower on Thursday under profit-taking pressures sparked by disappointing export sales and a stronger dollar that is rising in anticipation of a Fed interest rate hike later this month. **Corn futures contract closes on Thursday, 3/02/2017... Mar 2017 contract at \$3.72<sup>3</sup>/<sub>4</sub> , up \$0.08<sup>3</sup>/<sub>4</sub> for the week, May 2017 contract closed at \$3.79<sup>1</sup>/<sub>2</sub>, up \$0.08<sup>3</sup>/<sub>4</sub> for the week and the July 2017 contract closed at \$3.86<sup>1</sup>/<sub>4</sub>, up \$0.08 for the week.**

**CRUDE OIL** – Crude oil prices continued to trade in a narrow range this week as the market focuses on the dollar and compliance to OPEC deal to cut oil pumping. Compliance appears to be high among OPEC members, with Saudia Arabia and Angola cutting more than their original allotment to help balance lower cuts by other countries, but Russia does not appear to be honoring their side agreement to cut 300,000 bbls per day as indicated by reports this week that Russian output remained unchanged in the past two months. Prices also are constrained by US crude oil inventories which reached a record high 520.2 million bbls last week after eight straight weekly gains. The U.S. DOE Energy Information Agency reported domestic crude oil inventories increased by 1.5 million bbls this week (to 520.2 million bbls) compared to an expected build of 3.1 million bbls. Distillate stocks decreased by 925,000 bbls, compared to an expected decline of 611,000 bbls. Gasoline stocks decreased by 546,000 bbls, compared to an expected decline of 1.8 million bbls. **Crude oil futures finished down \$1.38/bbl for the week to close at \$52.61.**

**Weather / Crop Conditions –**

**U.S.** – Weather remained unsettled across the PNW this week, with more rain and snow and cool temperatures. After a brief warm up, this region is expected to see another storm system this weekend and the extended outlook shows cool

and wet conditions persisting. A severe storm system tracked northeastward from Texas to the Upper Ohio River Valley early this week, bringing tornadoes and rain to a wide swath of the central U.S. Other areas remained mostly warm and dry. The 6-10 day outlook calls for warm and dry conditions to persist across the Central and Southern Plains, with abnormally dry to droughty conditions now covering 37% of that region, compared to 26% the year before.

**GRAIN MARKETING WORKSHOP RESCHEDULED ON MARCH 29 & 30... Five Common Mistakes in Grain Marketing on March 29-30 in Fort Hall & Lewiston** sponsored by the Idaho Barley Commission, UI Extension and Northwest Farm Credit Services - featuring Ed Usset, an economist with the Univ. of Minnesota Center for Farm Financial Management and author of "Grain Marketing is Simple; It Just Isn't Easy"

- Mar. 29 – 8:30 a.m. (continental breakfast) to 10 a.m. at Fort Hall Convention Center, Fort Hall
  - Mar. 30 – 8:00 a.m. (full breakfast) to 11 a.m. at Lindsay Creek Vineyards, Lewiston
- Registration fee is \$20 per person. Pre-registration is requested – Fort Hall 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

**RECORDED webinars...**

"How to write a pre-harvest marketing plan" presented by Ed Usset, Univ. of Minnesota grain marketing economist on Feb. 28, 2017. Link at <https://umn.webex.com/umn/lsr.php?RCID=ec31c25ee120468a8041bb476f66afc4>

"Grain Break-Even Price and Tough Decisions" presented by UI Extension Ag Economist Ben Eborn. Link at...<https://vimeo.com/204575195>