

Idaho Grain Market Report, March 9, 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 8, 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		\$3.40-3.46	\$4.20	\$5.01	\$4.35-4.50
Idaho Falls		\$8.30 -8.33	\$3.65	\$4.35	\$5.00	\$4.45
Blackfoot / Pocatello		\$6.50	\$3.65	\$4.35	\$5.00	\$4.45
Grace / Soda Springs	\$5.50		\$3.63	\$3.76	\$4.91	NQ
Burley / Rupert	\$5.00		\$3.45	\$3.56	\$5.04	\$4.36
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.50		\$3.15-3.65	\$3.75	\$4.92	\$4.30
Nampa – Weiser	\$6.00		\$3.80			
Nez Perce / Craigmont	\$3.75		\$3.96	\$4.52	\$5.77	
Lewiston	\$4.25		\$4.22	\$4.78	\$6.03	
Moscow / Genesee	\$3.75-4.40		\$3.99-4.13	\$4.55-4.69	\$5.80-5.99	\$4.69

**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 - \$4.67 - 4.82 max 10.5% pro \$4.67 - 4.90</b>	\$5.46 - 5.71	\$6.34½ - 6.69½	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65-8.85					
Ogden	\$6.00		\$3.94	\$4.11	\$5.26	\$4.60
Great Falls	\$4.75	\$6.00		\$4.21-4.33 (12%)	\$4.99-5.26	
Minneapolis	\$4.27	NQ		\$5.06 (12%)	\$6.14½ - 6.44½	

**Market trends this week**

**BARLEY** – Local feed barley and malting barley prices were steady this week. USDA reported no barley export sales last week but exports of 300 MT to Taiwan.

**BARLEY MY 2016/17 S&D Projections -** USDA made only minor tweaks to the US barley S&D balance sheet: lowered imports by 1 million bu to 15 million bu and lowered exports by 1 million bu to 5 million bu, resulting in no changes to ending stocks of 103 million bu. The average farm-gate price was left unchanged at \$4.70-5.20/bu.

**WHEAT** – Local wheat prices were mostly lower this week: SWW prices ranged from minus 10 cents to plus 10 cents; HRW prices ranged from minus 26 cents to steady; and DNS prices ranged from 20 to 26 cents lower. USDA reported wheat export sales were on the low end of trade expectations at 391.6 TMT (plus MY 2017/18 sales of 40.0 TMT), up 21% from the previous week but down 14% from the previous 4-week average. Wheat export shipments were stronger at 450.5 TMT, down 12% from the previous week and down 14% from the prior 4-week average.

**WHEAT MY 2016/17 S&D Projections -** USDA's report was considered mostly neutral... lowered US imports by 10 million bu to 115 million bu and **lowered ending stocks by a equal amount to 1.129 billion bu, BELOW the average pre-report trade estimates of 1.135 billion bu.** The average farm-gate price was left unchanged at \$3.80-3.90/bu. World

wheat production is raised by 2.8 MMT to 751.1 MMT, due to bigger crops in Australia and Argentina. World wheat ending stocks are increased by 1.3 MMT this month to 249.9 MMT, ABOVE trade expectations of 248.6 MMT. Stocks are 4% above last year.

**Wheat Competitor / Buyer News** – USDA raised their wheat production estimates for both Australia and Argentina this week – Australian crop is increased by 2 MMT to a record 35 MMT and exports are increased by 1 MMT to 25.5 MMT. The Argentine crop is raised by 1 MMT to 16 MMT and exports by 1.1 MMT to 10.1 MMT. Looking ahead to MY 2017/18, ABARE is estimating the Australian crop will fall significantly to 24 MMT, due to a 1% decline in acreage and trend-line yields.

**CORN** – USDA reported corn export sales on the low end of trade expectations at 741.1 TMT (plus MY 2017/18 sales of 93.0 TMT), up 7% from the previous week but down 7% from the prior 4-week average. This softening trend is expected to continue with big South American crops coming to market. Corn export shipments remained strong at 1.454 MMT, down 3% from the previous week but up 15% from the prior 4-week average.

**CORN MY 2016/17 S&D Projections**- USDA report is considered neutral to slightly bearish on bigger world stocks...they cut domestic feed use by 50 million bu to 5.55 billion bu, raised ethanol use by 50 million bu to 5.4 billion bu, resulting in **no change to ending stocks at 2.32 billion bu.** This was ABOVE pre-report trade estimates of 2.317 billion bu. The average farm-gate price of corn was left unchanged at \$3.20-3.60/bu. World corn production is increased by 9 MMT to a new record 1,049.2 MMT, up 9% from a year ago. World corn ending stocks are increased by 3.1 MMT this month to 220.7 MMT, ABOVE trade estimate of 218.5 MMT. World corn stocks are 5% above the previous year.

**Ethanol corn usage** – DOE's Energy Information Agency reported a modest downtick in U.S. ethanol production by 12,000 bbls last week to 1,022,000 bbls per day, down 1.2% from the previous week but up 4.5% from a year ago. Ethanol stocks tapered off to 22.86 million bbls last week, down 1% from the previous week and down 2% from the previous year. Weekly corn usage remained strong at 107.3 million bu last week, still well above the weekly pace needed to reach USDA's projected usage of 5.4 billion bu. Cumulative corn use is estimated at 2.82 billion bu.

**Corn Competitor / Buyer News** – As expected USDA raised their South American corn crop estimates this week – they raised the Brazilian crop by 5 MMT to 91.5 MMT and exports by 3 MMT to 31 MMT. The average trade estimate for the Brazilian crop was 87.8 MMT. They raised the Argentine crop by 1 MMT to 37.5 MMT and exports by 0.5 MMT to 25.5 MMT. China's NGOIC lowered their corn imports projections for the current marketing year to 1 MMT, down from February's forecast of 2 MMT.

#### Futures Market trends this week

**WHEAT** – Wheat markets opened the week mixed with winter wheat contracts leading the gains on fund buying sparked by drier and warmer than normal conditions across the winter wheat belt. Prices retreated on Tuesday and Wednesday under pressure from a higher dollar and spillover weakness in beans and corn. Wheat finished lower today (Thursday) on improving chances of moisture in parts of the Central and Southern Plains later this week. However, the extended forecast remains dry for these winter wheat areas. **Wheat market closes on Thursday, 3/09/2017...**

	<b>May 2017</b>	<b>Weekly Summary</b>	<b>July 2017</b>	<b>Weekly Summary</b>	<b>Sept 2017</b>	<b>Weekly Summary</b>
CHI SRW	\$4.44	Down \$0.09½	\$4.59¾	Down \$0.08½	\$4.74¾	Down \$0.07½
KC HRW	\$4.62½	Down \$0.09¼	\$4.74¼	Down \$0.09	\$4.88¾	Down \$0.07¾
MGE DNS	\$5.38¾	Down \$0.09	\$5.46¼	Down \$0.07¾	\$5.52¾	Down \$0.07¾

**CORN** – Corn closed modestly lower on Monday on demand concerns sparked by a report of confirmed bird flu in a commercial chicken flock in Tennessee and expectations of rising production prospects in South America. Prices continued to trade lower on Tuesday and Wednesday, under pressure from a rising dollar and weaker crude oil, as well as positioning ahead of Thursday's monthly S&D report. Fund selling drove prices lower today (Thursday) on bigger than expected world corn stock estimates and disappointing export sales. **Corn futures contract closes on Thursday, 3/09/2017...** May 2017 contract at \$3.67, down \$0.13¾ for the week, July 2017 contract closed at \$3.74½, down \$0.12¾ for the week and the Sept. 2017 contract closed at \$3.81¼, down \$0.11¾ for the week.

**CRUDE OIL** – Crude oil prices chopped lower this week under pressure from rising domestic inventories and a stronger dollar. The U.S. DOE Energy Information Agency reported the ninth consecutive weekly gain in domestic crude oil inventories – up 8.209 million bbls compared to an expected build of 1.3 million bbls. By contrast, distillate stocks decreased by 2.676 million bbls and gasoline stocks decreased by 6.555 million bbls. **Crude oil futures finished down \$4.05/bbl for the week to close at \$49.28.**

### **Weather / Crop Conditions –**

**U.S.** – Weather remained unsettled across the PNW this week, with more rain and snow and cool temperatures overspreading the region into the Northern Rockies. The extended forecast shows wetter than normal conditions persisting but warming along the southern edge. The Central to Southern Plains remained warm and dry with elevated risks of wildfires which destroyed several ranches across the southwestern corner of KS and Oklahoma. There are improves of rain in some of these areas this weekend. The Northern Plains remain cold and breezy with periods of snowfall. The 6-10 day outlook calls for near to above normal temperatures for most of the country except the far northern belt and wetter than normal for most of the country except for most of the Central and Southern Plains which will remain mostly dry.

**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, ag 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>