

Idaho Grain Market Report, March 23, 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, March 22, 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	\$5.00- 5.75		\$3.30-3.35	\$3.88	\$5.08	\$4.10-4.30
Idaho Falls		\$8.30 -8.33	\$3.35	\$4.05	\$5.20	\$4.15
Blackfoot / Pocatello		\$6.50	\$3.35	\$4.05	\$5.20	\$4.30
Grace / Soda Springs	\$5.50		\$3.40	\$3.46	\$5.00	\$3.96
Burley / Rupert	\$5.00		\$3.36	\$3.23	\$5.03	\$3.98
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.40		\$3.20-3.37	\$3.43	\$4.98	\$3.98
Nampa – Weiser	\$6.00		\$3.80			
Nez Perce / Craigmont	\$4.00		\$3.86	\$4.15	\$5.81	
Lewiston	\$4.50		\$4.12	\$4.41	\$6.07	
Moscow / Genesee	\$4.00-4.50		\$3.89-4.08	\$4.12-4.33	\$5.84-6.03	\$4.33

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 - \$4.42¼ - 4.67¼ max 10.5% pro \$4.42¼ - 4.80	\$5.12½ - 5.37½	\$6.37¾ - 6.72¾	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65-8.85					
Ogden	\$5.85		\$3.75	\$3.85	\$5.40	\$4.35
Great Falls	\$4.75	\$6.00		\$4.02-4.16 (12%)	\$5.20-5.44	
Minneapolis	\$4.27			\$4.62½ (12%)	\$6.07¾ - 6.32¾	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to plus 15 cents. Open market malting barley prices were steady this week. USDA reported no barley export sales last week while barley exports totaled 200 MT to Taiwan.

Barley Competitor / Buyer News – Saudi Arabia bought 1.51 MMT and Jordan 50 TMT of optional origin feed barley this week.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 15 cents to plus 6 cents; HRW prices ranged from minus 21 to plus 19 cents; and DNS prices ranged from minus 7 cents to plus 12 cents. USDA reported old crop wheat export sales were above trade expectations at 418.5 TMT (plus MY 2017/18 sales of 149.8 TMT), up 58% from the previous week and up 17% from the previous 4-week average. Wheat export shipments last week also remained strong at 648.7 TMT, up 5% from the previous week and up 17% from the prior 4-week average, but remains below the weekly pace needed to reach the USDA export estimate for MY 2016/17 which ends May 31. Cumulative wheat exports have reached 74.1% of the USDA estimate for the year, compared to a 5-year average of 77.2%.

Wheat Competitor / Buyer News – Sov Econ is projecting 2017 Russian wheat crop at 62.5 MMT compared to 73.3 MMT this year. USDA reported a sale of 120 TMT of U.S. hard wheat to Saudi Arabia this week. Egypt has reportedly rejected up to 10 cargoes of optional origin wheat recently due to insect levels.

CORN – USDA reported corn export sales remained above trade expectations last week at 1.347 MMT (plus MY 2017/18 sales of 127.1 TMT), up 11% from the previous week and up 59% from the prior 4-week average. Corn export shipments last week remained strong and above the needed weekly pace at 1.382 MMT, down 10% from the previous week and down 3% from the prior 4-week average. Cumulative corn exports have reached 53.5% of the USDA estimate for the year, compared to a 5-year average of 48.2%.

Ethanol corn usage – DOE's Energy Information Agency reported a very minor downtick in U.S. ethanol production – down 1,000 bbls last week or 0.1% to 1,044,000 bbls per day, which is up nearly 5% from a year ago. Ethanol stocks declined to a 5 week low at 22.59 million bbls last week, down 0.75% from the previous week and down 0.3% from the previous year. Weekly corn usage for ethanol remained very strong at 109.62 million bu and above the pace needed to reach USDA's projected usage of 5.4 billion bu. Cumulative corn use is now estimated at 3.04 billion bu.

Corn Competitor / Buyer News – Brazil's SAFRAS agency hiked their Brazilian corn crop estimate this week to 98 MMT compared to USDA's estimate of 91.5 MMT. The Brazilian government is considering a request from their domestic ethanol industry to re-instate their 20% import tax on ethanol which they lifted in 2010. Brazil has been the second largest buyer of U.S. ethanol this year. USDA is projecting Mexico will produce a 25.25 MMT corn crop in MY 2017/18 down from 27 MMT this year due to smaller planted acreage and a return to normal weather. China imported 142.4 TMT of corn last month, with most of it sourced from Ukraine, and about 130% above the same month a year ago. Sources suggest that Chinese farmers will cut their corn acres in 2017, with some suggesting as much as 40%, due to lower supports from the government. USDA reported a 132 TMT U.S. corn sale to South Korean feed makers this week.

Futures Market trends this week

WHEAT – Wheat markets reversed lower on Monday under pressure from forecasts calling for improved rainfall chances across the Central and Southern Plains this week. Prices continued to chop lower on Tuesday and Wednesday despite a weaker U.S. dollar as winter wheat crop conditions are expected to improve after drought-easing rains later this week and into next week. Wheat finished mixed to lower today (Thursday) with spring wheat closing higher in spread technical trading. **Wheat market closes on Thursday, 3/23/2017...**

	May 2017	Weekly Summary	July 2017	Weekly Summary	Sept 2017	Weekly Summary
CHI SRW	\$4.21	Down \$0.15¼	\$4.36	Down \$0.15½	\$4.51	Down \$0.15¾
KC HRW	\$4.28	Down \$0.15½	\$4.40¾	Down \$0.24½	\$4.55½	Down \$0.24¼
MGE DNS	\$5.40¾	Down \$0.08¼	\$5.47	Down \$0.07	\$5.53½	Down \$0.06¾

CORN – Corn finished lower on Monday under pressure from massive fund liquidation sparked by technical weakness and ideas that U.S. corn will face stiff competition in the second half of the marketing year from a much larger South American corn crop. Weak technicals drove corn prices modestly lower on Tuesday and Wednesday to 2 month lows on favorable South American weather ahead of safrinha crop pollination and good soil moisture and warming temperatures across the U.S. Midwest. Corn posted further losses today (Thursday) despite stronger than expected weekly export sales. **Corn futures contract closes on Thursday, 3/23/2017...** May 2017 contract at \$3.56¾, down \$0.10¾ for the week, July 2017 contract closed at \$3.64½, down \$0.10½ for the week and the Sept. 2017 contract closed at \$3.72, down \$0.10¼ for the week.

CRUDE OIL – Crude oil prices continued to chop in a narrow range this week as traders doubt that OPEC production cuts will be enough to curtail a global oil glut. The U.S. DOE Energy Information Agency reported a bigger than expected build in domestic oil inventories – up 4.954 million bbls, compared to an expected build of 2.8 million bbls. Distillate stocks fell by 1.910 million bbls, compared to an expected decline of 1.4 million bbls and gasoline stocks fell by 2.18 million bbls, compared to an expected decline of 2.0 million bbls. **Crude oil futures finished down \$1.61/bbl for the week to close at \$47.70.**

Weather / Crop Conditions –

U.S. – Cool air overspread the PNW accompanied by periodic rain showers. Warmer temperatures lingered across the Central and Southern Rockies and northern High Plains. Central and Southern Plains were dry as HRW conditions continued to deteriorate. Colder temperatures prevailed across much of the Midwest and freeze warnings were in effect across the Ohio River Valley. The 6-10 day outlook calls for warmer and wetter than normal conditions across much of the country. The PNW is expecting normal to below normal temperatures and above normal precipitation.

GRAIN MARKETING WORKSHOPS 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>