

Idaho Grain Market Report, May 11, 2017

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 10, 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	\$5.75		\$3.37	\$3.94	\$5.35	\$4.22
Idaho Falls		\$8.30 -8.33	\$3.55	\$4.20	\$5.40	\$4.30
Blackfoot / Pocatello		\$6.50	\$3.55	\$4.20	\$5.40	\$4.30
Grace / Soda Springs	\$5.50		\$3.50	\$3.34	\$5.03	\$3.99
Burley / Rupert	\$5.00		\$3.32	\$3.35	\$5.06	\$3.95
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.50-6.25		\$3.30-3.50	\$3.37	\$5.07	\$4.07
Nampa – Weiser	\$5.25		\$3.70			
Nez Perce / Craigmont	\$4.00		\$3.96	\$4.20	\$5.81	
Lewiston	\$4.50		\$4.22	\$4.46	\$6.07	
Moscow / Genesee	\$4.00-4.75		\$3.99-4.15	\$4.23-4.37	\$5.84-5.98	\$4.37

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 - \$4.70 - 4.86¾ max 10.5% pro \$4.51¾ - 4.91¾	\$5.09¼ - 5.29¼	\$6.45 - 6.70	
Los Angeles	\$8.50-8.80					
Tulare	\$8.50-8.80					
Ogden	\$5.85		\$3.75	\$3.69	\$5.38	\$4.34
Great Falls	\$4.75	\$6.00		\$4.09-4.26 (12%)	\$5.35-5.51	
Minneapolis	\$4.27			\$4.74¼ (12%)	\$6.50 - 6.65	

Market trends this week

BARLEY – Local feed barley and open market malting barley prices were mostly steady this week. USDA reported there were no U.S. barley export sales last week, while exports totaled 100 MT to South Korea.

BARLEY S&D Projections May 11, 2017 - MY 2016/17 (ends May 31) - USDA made only very minor tweaks to their monthly barley S&D balance sheet – lowered imports by 3 million bu to 12 million bu and lowered ending stocks by 3 million bu to 95 million bu. The **average farm-gate barley price for MY 2016/17 was pegged at \$4.95**, which is down \$.57 from the previous year. **New Marketing Year 2017/18** – USDA pegged **2017 U.S. barley production down 40 million bu (-20%) to 159 million bu**, based on lower planted area and lower yields after record yields last year. Total usage was pegged at 193 million bu, down 12%, and U.S. barley ending stocks were cut by 20% to 76 million bu. The average U.S. barley farm-gate price was estimated at a range of \$4.35-5.35/bu. **World barley production was pegged at 136.9 MMT, down 4%**, based on smaller crops projected in the Canada, Australia, Russia, Ukraine and the U.S. World barley ending stocks were pegged at 17.5 MMT, down 29% from this year and a stocks-to-use of 12.1%, which is down from 16.7% in the current year.

WHEAT – Local wheat prices were lower this week: SWW prices ranged from 3 to 26 cents lower; HRW prices ranged from 15 to 29 cents lower; and DNS prices ranged from minus 13 cents to 5 cents higher. USDA reported old crop wheat export sales were well below trade estimates at a net reduction of 24.2 TMT (plus MY 2017/18 sales of 273.4 TMT), down

noticeably from the previous week and a new low as the marketing year winds down. Wheat export shipments last week totaled 595.8 TMT, down 4% from the previous week and down 9% from the prior 4-week average. Cumulative wheat export shipments for MY 2016/17, which ends May 31, have reached 89.7% of the USDA estimate, compared to a 5-year average of 91.3%.

WHEAT S&D Projections May 11, 2017 – MY 2016/17 (ends May 31) - USDA made only very minor tweaks..they raised imports by 5 million bu to 115 million bu, cut domestic food usage by 5 million bu to 955 million bu, raised exports by 10 million bu to 1.035 billion bu, a resulting in no change to ending stocks of 1.159 billion bu, which was SLIGHTLY BELOW the average pre-report trade estimate of 1.16 billion bu. **The average farm-gate wheat price for MY 2016/17 was set at \$3.90/bu, down 20% from the previous year.** **New Marketing Year 2017/18** – USDA pegged **2017 U.S. wheat production at 1.820 billion bu, 490 million bu or 21% lower than last year and BELOW the average pre-report trade estimate of 1.858 billion bu.** Winter wheat production was pegged at 1.246 billion bu, down 25% from last year. Total usage was pegged at 2.191 billion bu, down 2% from 2016 and **ending stocks are pegged at 914 million bu, 245 million bu lower than last year and BELOW the average pre-report trade estimate of 930 million bu.** The average U.S. wheat farm-gate price was estimated at a range of \$3.85-4.65/bu. **World wheat production was pegged at 737.8 MMT, down 2%**, based on smaller crops projected in the US, Canada, Russia and Ukraine more than offsetting increases projected for the EU and Argentina. World wheat ending stocks were pegged at 258.3 MMT, up 1%, and ABOVE the average pre-report trade estimate of 248 MMT. World wheat stocks to use is pegged at 35.1%, compared to 34.5% in MY 2016/17.

Wheat Competitor / Buyer News –USDA is projecting bigger wheat crops in the EU at 151 MMT vs. 145.5 MMT last year and Argentina 17 MMT vs. 16.0 MMT. They are projecting lower crops for Russia 67 MMT vs. 72.5 MMT, Ukraine 25 MMT vs. 26.8 MMT, Australia 25 MMT vs. 35 MMT and Canada 28.4 MMT vs. 31.7 MMT. The EU soft wheat exports have reached 21.7 MMT this year, down 19% from the same period a year ago. Mexican buyers are reportedly buying 30-50 TMT of Argentine wheat for the first time. Taiwan bought 96 TMT of U.S. wheat this week.

CORN – USDA reported corn export sales were well below trade expectations and a marketing year low last week at 277.7 TMT (plus MY 2017/18 net reduction of 55.1 TMT), down 64% from the previous week and down 66% from the prior 4-week average. Corn export shipments last week totaled 722.9 TMT, down 41% from the previous week and down 43% from the prior 4-week average. Cumulative corn export shipments for MY 2016/17, which ends Aug. 31, have reached 69.3% of the USDA estimate, compared to a 5-year average of 63.5%.

Ethanol corn usage – DOE's Energy Information Agency reported an impressive uptick in U.S.ethanol production last week – up 20,000 bbls or 2% to 1,006,000 bbls per day, which is up 4.6% from a year ago. Ethanol stocks remain high at 23.0 million bbls, up 8.5% from the previous year. Weekly corn usage for ethanol remains strong at 105.6 million bu and cumulative corn use at 3.77 billion bu.

CORN S&D Projections May 11, 2017- MY 2016/17 (ends Aug 31)- USDA made only a couple tweaks to the domestic balance sheet...they increased industrial use by 25 million bu to 6.92 billion bu and cut **ending stocks by an equal amount to 2.295 billion bu, which was BELOW the pre-report trade expectations of 2.315 billion bu.** The average farm-gate price of corn was left unchanged at \$3.25-3.55/bu. **MY 2017/18** – USDA pegged **2017 U.S. corn production at 14.065 billion bu, down 7% from last year, based on a 4 million acreage cut and trend line yield of 170.7 bpa.** **Ending stocks were cut by 185 million bu to 2.110 billion bu, down 8% and below the average trade estimate of 2.129 billion bu.** The average U.S. corn farm-gate price was estimated at a range of \$3.00-3.80/bu. **World corn production was pegged at 1,034 MMT**, down 3%, while world corn ending stocks were pegged at 195.3 MMT, down 13% and BELOW the average pre-report trade estimate of 209 MMT. World corn stocks to use is pegged at 18.4%, down from 21.3% in the current marketing year.

Corn Competitor / Buyer News – USDA has projected Brazil's current year corn crop at 96 MMT compared to CONAB at 95.1 MMT and the Brazilian government at 92.8 MMT. USDA is projecting the Argentine corn crop at 40 MMT compared to Buenos Aires Grain Exchange at 39 MMT. USDA is projecting China's new corn crop at 215 MMT down from 219.6 MMT last year. China sold 2.1 MMT of 2.5 MMT reserve corn offered for auction this week.

Futures Market trends this week

WHEAT – Wheat markets closed lower on Monday on profit-taking triggered by easing weather concerns and a higher dollar. Tuesday saw prices continue to slide on ideas that additional moisture will improve winter wheat yield potential. Wheat posted modest gains on Wednesday on friendly USDA projections for the domestic wheat balance sheet (production and ending stocks down 21%), which was offset by higher than expected world wheat stocks (more than 10 MMT higher than expected). Wheat prices settled modestly higher today (Thursday) with support from a wet forecast next week. **Wheat market closes on Thursday, 5/11/2017 ...**

July 2017

**Weekly
Summary**

Sept 2017

**Weekly
Summary**

Dec 2017

**Weekly
Summary**

CHI SRW	\$4.33 ³ / ₄	Down \$0.08 ¹ / ₂	\$4.48	Down \$0.08 ¹ / ₄	\$4.67 ¹ / ₄	Down \$0.10
KC HRW	\$4.40 ³ / ₄	Down \$0.09 ¹ / ₄	\$4.57 ³ / ₄	Down \$0.09	\$4.80 ¹ / ₂	Down \$0.10 ¹ / ₄
MGE DNS	\$5.48 ¹ / ₄	Down \$0.06	\$5.55 ¹ / ₂	Down \$0.05 ³ / ₄	\$5.63 ³ / ₄	Down \$0.04 ³ / ₄

CORN – Corn finished modestly lower to start the week under pressure from improving planting weather across the central and northern Corn Belt, lower crude oil and a higher dollar. Corn posted fractional gains on Tuesday on ideas that sizeable acreage across the ECB will need to be replanted after recent flooding. Prices moved solidly higher on Wednesday, buoyed by USDA's bullish world corn ending stocks projection for MY 17/18, down more than 28 MMT and the largest drawdown since 1993. Corn reversed lower today (Thursday) under pressure from very disappointing export sales and better nearby planting conditions. **Corn futures contract closes on Thursday, 5/11/2017 ... July 2017 contract at \$3.69¹/₄, down \$0.01¹/₂ for the week, Sept. 2017 contract closed at \$3.77¹/₄, down \$0.01 for the week and the Dec. 2017 contract closed at \$3.87¹/₄, down \$0.01¹/₄ for the week.**

CRUDE OIL – Crude oil futures saw choppy trade this week with the trade focused on the global oil glut and increasing domestic shale oil production in the face of OPEC production cuts. OPEC ministers will meet later this month and are expected to extend their own production cuts beyond their initial 6 month pledge. Meanwhile U.S. stocks are declining from record highs – down 5.247 million bbls compared to an expected decline of 2.0 million bbls. Distillate stocks decreased by 1.587 million bbls, while gasoline stocks decreased by 150,000 bbls. **Crude oil futures finished up \$1.61/bbl for the week to close at \$47.83.**

Weather / Crop Conditions –

U.S. – Northwest and Intermountain regions were mostly mild and dry, with some widely scattered showers. The Northern Plains received showers early this week, but planting conditions improved through the week. The Central and Southern Plains were drier and warmer. A split jet stream generated a series of three storm systems stretching from Texas through the Mid Mississippi River and Ohio River Valleys, with more flash flooding in several areas. The Corn Belt saw mostly mild conditions with improving planting conditions across the central and northern regions. The **6-10 day outlook** calls for wetter conditions across the West, Plains and Midwest; cooler than normal temperatures across the west and warmth across the central and eastern regions.

USDA Crop Progress / Condition Report, May 8, 2017

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	53% planted 26% emerged	32% 14%	76% 44%	68% 35%			
ID Barley	73% planted 53% emerged	58% 37%	88% 69%	89% 58%			
US Spring Wheat	54% planted 21% emerged	31% 9%	74% 37%	60% 29%			
ID Spring Wheat	58% planted 32% emerged	49% 21%	89% 67%	91% 61%			
US Winter Wheat	50% headed	42%	55%	46%	53% g/ex	54%	62%
ID Winter Wheat	2% headed	1%	5%	3%	66%	61%	89%
Corn	47% planted 15% emerged	34% 9%	61% 25%	52% 19%			

International

Canada – Planting has started across the western provinces that had been hindered by a cold and wet spring.

EU – France continued to receive beneficial moisture this week, easing dry conditions. Recent moisture across parts of the UK, France and Spain have aided flowering winter grains.

Black Sea region – Northern Ukraine corn areas are trending dry. Recent moisture has aided winter small grains across southeastern Ukraine and central and southern Russia.

Middle East – Widespread showers have benefited filling winter grains across Turkey, Syria, Iraq and Iran.

Northwestern Africa – Dry weather has promoted maturation and early harvest of winter grains.

China – Widespread showers have improved soil moisture for wheat.

Australia – Dry conditions have aided winter grain planting.