

Idaho Grain Market Report, May 18, 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, May 17, 2017. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED</b>	<b>MALTING</b>	<b>Wheat (bu.) Milling</b>			
	<b>48 lbs or better</b>	<b>Open market malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg / Ririe	\$5.75		\$3.50	\$4.05	\$5.35	\$4.20
Idaho Falls		\$8.30 -8.33	\$3.70	\$3.95	\$5.35	\$4.15
Blackfoot / Pocatello		\$6.50	\$3.70	\$3.95	\$5.35	\$4.15
Grace / Soda Springs	\$5.50		\$3.49	\$3.34	\$5.12	\$3.89
Burley / Rupert	\$5.00		\$3.27	\$3.22	\$5.00	\$3.79
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.90-6.25		\$3.50	\$3.37	\$5.12	\$3.97
Nampa – Weiser	\$5.25		\$3.80			
Nez Perce / Craigmont	\$4.00		\$4.01	\$4.05	\$5.77	
Lewiston	\$4.50		\$4.27	\$4.31	\$6.03	
Moscow / Genesee	\$4.00-4.75		\$4.04-4.18	\$4.08-4.26	\$5.80-5.94	\$4.26

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 -</b> \$4.72 - 4.85 <b>Aug new crop</b> \$4.75¼ - 4.85	\$5.01½ - 5.16 ½ <b>Aug new crop</b> \$5.08¾ - 5.13¾	\$6.41 - 6.66 <i>Aug new crop</i> \$6.37¾ - 6.67¾	
Los Angeles	\$8.50-8.80					
Tulare	\$8.50-8.80					
Ogden	\$5.85		\$3.70	\$3.65	\$5.45	\$4.20
Great Falls	\$4.60-4.75	\$6.75		\$3.96-4.13 (12%)	\$5.31-5.48	
Minneapolis	\$4.27			\$4.61½ (12%)	\$6.31 - 6.41	

Market trends this week

**BARLEY** – Local feed barley prices ranged from steady to 40 cents higher while open market malting barley prices were steady this week. USDA reported there were no U.S. barley export sales last week, while exports totaled 100 MT to Taiwan.

**WHEAT** – Local wheat prices were mixed this week: SWW prices ranged from minus 5 cents to plus 20 cents; HRW prices ranged from minus 25 cents to plus 15 cents; and DNS prices ranged from minus 6 cents to plus 9 cents. USDA reported old crop wheat export sales were greatly improved from the previous week within trade expectations at 247.6 TMT (plus MY 2017/18 sales of 393.1 TMT), up noticeably from the previous week and up 40% from the 4-week average. This marketing year ends May 31. Wheat export shipments last week totaled 673.2 TMT, up 13% from the previous week and up 5% from the prior 4-week average.

**Wheat Competitor / Buyer News** – Russia’s SovEcon raised their new wheat estimate to 70.4 MMT from an earlier estimate of 69 MMT based on favorable growing conditions. German wheat crop is pegged at 25 MMT, up 1.6% from last year. Egypt purchased 295 TMT of wheat this week, including 2 cargoes of US HRW as well as wheat from Russia, Ukraine and Romania. Iraq purchased 50 TMT of Australian wheat this week, despite some U.S. offers being cheaper. China has made several recent purchases of U.S. wheat, with purchases from the U.S. now totaling more than 1.55 MMT

up 17% from the previous year. China's key wheat production areas in Henan and Hebei are expecting hot and dry weather forecast which could stress the winter wheat crop during the critical grain fill period. Tunisia purchased 92 TMT of optional origin wheat this week.

**CORN** – USDA reported corn export sales were within trade expectations at 705.3 TMT (plus MY 2017/18 sale of 168 TMT), up noticeably from the previous week and up 1% from the prior 4-week average. Corn export shipments last week were very strong at 1.543 MMT, up noticeably from the previous week and up 31% from the prior 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported another weekly uptick in U.S. ethanol production last week as processor margins improve – up 21,000 bbls or 2.1% to 1,027,000 bbls per day, which is up 8.3% from a year ago. But ethanol stocks remain high at 23.4 million bbls, up nearly 11% from the previous year. Weekly corn usage for ethanol remains strong at 107.8 million bu and cumulative corn use at 3.88 billion bu.

**Corn Competitor / Buyer News** – Taiwan purchased 65 TMT of Brazilian corn this week. Turkey is tendering for 180 TMT of optional origin wheat this week. Mexican corn end users have signaled that they expect to buy between 3 and 5 MMT of corn from Brazil in the coming year out of total imports estimated at 14 MMT. In past years the U.S. has maintained nearly 98% share of corn imports into this key nearby export market. But with the future of NAFTA in limbo (Trump administration officially notified Congress today of its intent to renegotiate NAFTA which puts a 90 day consultation process in place), Mexican end users are turning to alternative suppliers from South America. China is offering 5 MMT of corn stocks for auction this week from state reserves with the largest share from the 2013.

#### Futures Market trends this week

**WHEAT** – Wheat markets closed sharply lower on Monday under pressure from hefty world supplies, improved weather across Europe and the Black Sea and bearish technical signals. Wheat prices settled mixed on Tuesday with some support from short covering triggered by stronger beans and weaker dollar which has sunk to the lowest level since November 9, just after the U.S. election. Prices rebounded higher on Wednesday in light trading, with continued support from a weaker dollar and news that Egypt had purchased 2 cargoes of US HRW wheat. Wheat was pulled lower today (Thursday) by a slump in soybean prices and broad commodity risk-off sentiment. Losses were limited by concerns about heavy rainfall expected across the Central and Southern Plains over the next 7 days, which will not be very helpful at this late stage of the growing season. Early harvest results from Texas has shown yields down 20% compared to last year.

**Wheat market closes on Thursday, 5/18/2017 ...**

	<b>July 2017</b>	<b>Weekly Summary</b>	<b>Sept 2017</b>	<b>Weekly Summary</b>	<b>Dec 2017</b>	<b>Weekly Summary</b>
CHI SRW	\$4.25 <sup>3</sup> / <sub>4</sub>	Down \$0.07	\$4.39 <sup>3</sup> / <sub>4</sub>	Down \$0.07	\$4.61 <sup>1</sup> / <sub>2</sub>	Down \$0.04 <sup>3</sup> / <sub>4</sub>
KC HRW	\$4.26	Down \$0.13 <sup>1</sup> / <sub>4</sub>	\$4.43 <sup>1</sup> / <sub>4</sub>	Down \$0.12 <sup>3</sup> / <sub>4</sub>	\$4.68	Down \$0.11
MGE DNS	\$5.44 <sup>3</sup> / <sub>4</sub>	Down \$0.02 <sup>1</sup> / <sub>2</sub>	\$5.51 <sup>1</sup> / <sub>2</sub>	Down \$0.02 <sup>1</sup> / <sub>2</sub>	\$5.59 <sup>1</sup> / <sub>4</sub>	Down \$0.03

**CORN** – Corn finished modestly lower to start the week under pressure from rapid weekend planting progress and bearish technical charts. Corn was lifted slightly higher on Tuesday by a late session soybean surge and support from a lower U.S. dollar. Corn continued to advance higher on Wednesday on talk of sizeable replanting across Illinois where the initial crop condition rating was only 42% good/excellent compared to 69% the year before and concerns about a wet and cold forecast for the WCB over the next 7 days. Stronger ethanol demand and a weaker dollar also provided underlying support. Corn settled lower today (Thursday) under pressure from broad commodity risk-off sentiment sparked by a collapse in the Brazilian currency due to political turmoil which will make their export commodities more competitive.

**Corn futures contract closes on Thursday, 5/18/2017 ...** July 2017 contract at \$3.66, down \$0.05 for the week, Sept. 2017 contract closed at \$3.73<sup>3</sup>/<sub>4</sub>, down \$0.05<sup>1</sup>/<sub>4</sub> for the week and the Dec. 2017 contract closed at \$3.84, down \$0.04<sup>3</sup>/<sub>4</sub> for the week.

**CRUDE OIL** – Crude oil futures saw choppy trade this week with the focus on the tug of war between OPEC production cuts and increased US pumping which has jumped 10% from mid 2016. OPEC ministers will meet on May 25 to discuss extending their current 1.8 million bpd production cuts for another 9 months. Saudi Arabian and Russian oil ministers announced this week they supported extending the production cuts to help rebalance the world oil surplus. U.S. stocks continued their sixth straight decline this week - down 1.753 million bbls compared to an expected decline of 2.4 million bbls. Distillate stocks decreased by 1.944 million bbls, while gasoline stocks decreased by 413,000 bbls. **Crude oil futures finished up \$1.51/bbl for the week to close at \$49.35.**

#### **Weather / Crop Conditions –**

**U.S.** – Northwest and Intermountain regions saw mostly cool and wet conditions this week with frost warnings across the Snake Plain in southeastern Idaho. The extended outlook calls for much warmer and drier conditions. The Northern and Central Plains received widespread showers while the Southern Plains were mostly mild and breezy. A slow moving storm is bringing severe weather across the Central and Southern Plains on Friday, extending through the Central Corn

Belt over the weekend. The 7-day map shows the Central and Southern Plains and WCB very wet, which may cause winter wheat quality damage and result in the need for more corn replanting and slow crop development. The **6-10 day outlook** calls for warmer and drier conditions in the NW, dry and cool across the Northern Plains and Upper Midwest and wet and cool across the Midwest and High Plains.

**USDA Crop Progress / Condition Report, May 15, 2017**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	78% planted 42% emerged	53%	88%	79%			
<b>ID Barley</b>	<b>78% planted</b> <b>58% emerged</b>	<b>73%</b> <b>53%</b>	<b>92%</b> <b>78%</b>	<b>94%</b> <b>68%</b>			
US Spring Wheat	78% planted 40% emerged	54%	87%	73%			
<b>ID Spring Wheat</b>	<b>71% planted</b> <b>42% emerged</b>	<b>58%</b> <b>32%</b>	<b>95%</b> <b>84%</b>	<b>97%</b> <b>74%</b>			
US Winter Wheat	63% headed	50%	66%	57%	51% g/ex	53%	62%
<b>ID Winter Wheat</b>	<b>3% headed</b>	<b>2%</b>	<b>9%</b>	<b>5%</b>	<b>74%</b>	<b>66%</b>	<b>89%</b>
Corn	71% planted 31% emerged	47%	73%	70%			

**International**

**Canada** – Planting continues across the western provinces. In April it was cold and wet across Alberta, with near-average temperatures and dry conditions across most of Saskatchewan and western Manitoba, and near-average and wet conditions across north-central and eastern agricultural regions. The first half of May brought above-average temperatures and near- to below-average precipitation but is now transitioning back towards cooler and unsettled pattern during the second half of the month.

**EU** – France continued to receive beneficial moisture this week, benefitting winter grains which are heading.

**Black Sea region** – Nearly ideal conditions across southeastern Ukraine and central and southern Russia.

**Middle East** – Widespread showers have benefited filling winter grains across Turkey.

**China** – Recent showers have supported good crop germination across corn production areas, but winter wheat areas in Henan and Hebei provinces are seeing hot and dry conditions which could stress wheat during grain fill.

**Australia** – Mostly dry conditions have aided winter grain planting, but planting progress has slowed in the southeastern production area.