**Idaho Grain Market Report, May 19, 2016**

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**Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 18, 2016. 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 | $4.80-6.00 | | $3.80 – 4.10 | $3.80 | $5.05 | $4.27-4.75 |
| Idaho Falls | $6.00 | $8.90 - $9.38 | $4.20 | $4.20 | $5.10 | $4.55 |
| Blackfoot / Pocatello | NQ | $8.15 | $4.20 | $4.20 | $5.10 | $4.55 |
| Grace / Soda Springs | $6.55 | | $4.16 | $3.98 | $5.13 | $4.43 |
| Burley / Rupert Hazelton | $6.00 | $9.38 | $3.90-4.05 | $3.62 | $5.07 | $4.37 |
| Twin Falls / Buhl / Wendell | $6.30-6.50 $7.25 new crop | | $3.75 | NQ | NQ | |
| Nampa – Weiser | $6.74 | | $4.49 | | | |
| Nez Perce / Craigmont | $5.25 | | $4.60 | $4.48 | $5.48 | |
| Lewiston | $5.75 | | $4.86 | $4.74 | $5.74 | |
| Moscow / Genesee | $5.25-5.75 | | $4.63–4.77 | $4.51-4.70 | $5.51-5.65 | $4.70 |

**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 -** $5.35 -5.44 **May max 10.5% pro-** $5.50 | $5.31¾ – 5.38¾ | $6.16¾ - 6.41¾ | |
| Los Angeles | $9.00-9.20 | | | | | |
| Tulare | $9.00–9.20 | | | | | |
| Ogden | $7.00 | | $4.50 | $4.30 | $5.60 | $4.80 |
| Great Falls | $5.25-5.50 | $9.00 | | $4.18-4.33 (12%) | $5.00–5.29 | |
| Minneapolis | $5.10 | NQ | | $4.96¾ (12%) | $5.96¾ - 6.11¾ | |

**Market trends this week**

**BARLEY –** Local feed barley prices ranged from minus 20 cents to plus 50 cents, but were mostly steady, while open market malting barley prices remained steady this week. USDA reported no MY 15/16 barley export sales while barley export shipments last week totalaed 600 MT to Japan and South Korea.

**Barley Competitor/Buyer News –** Jordan purchased 100 TMT of optional origin feed barley this week.

**WHEAT –** Local wheat prices were mixed but mostly higher this week: SWW prices ranged from minus 10 cents to plus 20 cents; HRW prices ranged from minus 10 cents to plus 24 cents; and DNS prices ranged from 5 to 15 cents higher. USDA reported wheat export sales last week were on the high end of trade expectations at 175.2 TMT (plus 573.5 TMT for MY 2016/17), down 41% from the previous week and down 37% from the 4-week average. Wheat export shipments last week totaled 379.7 TMT, down 26% from the previous week.

**Wheat Competitor / Buyer News** – EU approved export licenses for 928 TMT of wheat this week, bringing their cumulative wheat exports to 27.5 MMT, which is now lagging last year's pace by 5%. Strategie Grains is pegging EU's 2016 soft wheat crop at 146.7 MMT, up nearly 2 MMT from earlier projections based on favorable growing conditions but down from last year's record 151 MMT. Russian wheat prices reached a 5-month high this week on tightening domestic supplies and a modest rebound in the value of the Russian ruble. Ukrainian consultants have raised their 2016 wheat production forecast this week to 21.5 MMT, up from their previous forecast of 17.7 MMT, based on favorable growing conditions. Argentine wheat exports in the first quarter of the year total 3.13 MMT, compared to only 1.53 MMT for the same period a year ago. There is talk of India lowering import duties on wheat this year due to reduced domestic crop expectations from adverse growing weather.

**CORN** – USDA reported corn export sales were well above trade expectations last week at 1.473 MMT (plus 540.7 TMT for MY 2016/17), up 33% from the previous week and up 13% from the previous 4-week average. Corn export shipments last week remained strong at 1.175 MMT, up 3% from the previous week but down 1% from the previous 4-week average.

**Ethanol corn usage –** DOE's Energy Information Agency reported a downtick in U.S.ethanol production last week, to 948,000 bpd -down 14,000 bbls or 1.5% from the previous week and down 1% from the previous year. U.S. ethanol stocks decreased by 0.7% last week to 21.1 million bbls, which are up 3% from a year ago. Corn used to produce ethanol jumped fell to 99.54 million bu, but remained above the weekly pace of 98.3 mbu needed to achieve USDA's projection of 5.25 billion bu for MY 2015/16. **US Environmental Protection Agency announced the Renewable Fuel Mandates for 2017 this week, pegging total RFS at 18.8 billion gallons, up 4% from 2016 (18.11 billion gallons). The conventional ethanol requirement is 14.8 billion gallons, up 300 million gallons from 2016 but still short of the statutory mandate of 15 billion gallons. This equates to an additional 105 million bushels of corn usage.**

**Corn Competitor / Buyer News** –Ukrainian consultants have pegged their 2016 corn crop at 25 MMT, up slightly from their previous forecast of 24.5 MMT and 2015 putput of 23.3 MMT. Russian corn exports are pegged at 4.25 MMT so far this year, up from 2.5 MMT a year ago. They have pegged their 2016 corn production at a record 13.7 MMT.

## Futures Market trends this week

**WHEAT –** Wheat markets settled mixed to lower with pressure from continuing favorable moisture across the hard red winter wheat region. Spring wheat moved modestly higher on concerns about weekend frost across the Upper Midwest and a drying trend in spring wheat. Short covering pushed wheat higher on Tuesday, triggered by concerns about frost damage in soft red winter wheat crop. Higher Russian wheat prices also provided underlying support. Wheat chopped lower on Wednesday in mostly two-sided trading as traders continue to focus on mostly negative U.S. and world market fundamentals. Wheat finished sharply lower on Thursday on profit-taking triggered by a jump in the dollar in reaction to the Federal Reserve meeting minutes which signal that another rate hike is likely in June. **Wheat market closes on Thursday, 5/19/16…**

| | July 2016 | Weekly Summary | Sept 2016 | Weekly Summary | Dec 2016 | Weekly Summary |
|---|---|---|---|---|---|---|
| Chicago SRW | **\$4.66¾** | **Down \$0.08** | **\$4.79½** | **Down \$0.04½** | **\$4.97½** | **Down \$0.01¾** |
| KC HRW | **\$4.48** | **Down \$0.08** | **\$4.64** | **Down \$0.08¾** | **\$4.88¼** | **Down \$0.08¾** |
| MGE DNS | **\$5.28½** | **Down \$0.07** | **\$5.35¾** | **Down \$0.06½** | **\$5.47¼** | **Down \$0.07** |

**CORN** – Corn posted modest gains on Monday on continuing talk that recent gains in soybeans will pull some acres away from corn. Corn extended its modest gains on Tuesday and Wednesday, reaching a one-month high on support from continuing planting delays across the Eastern Corn Belt and mounting concerns about additional crop losses in Brazil's second corn crop. Despite better than expected export sales, corn finished lower on Thursday in technical weakness sparked by dollar strength which could slow the export sales pace just when it was starting to pick up. **Corn futures contract closes on Thursday, 5/19/16… July 2016 contract at \$3.90, down \$0.00¾ for the week, Sept 2016 contract closed at \$3.92½, down \$0.00¾ for the week and the Dec 2016 contract closed at \$3.97¼, down \$0.01 for the week.**

**CRUDE OIL** – Crude oil market chopped in a narrow trading range this week – reaching a 7 month high - with continuing support from supply disruptions in Canada, Libya and Nigeria, offset by a substantial rebound in Iranian exports which are expected to surge to 2.1 million barrels per day, up nearly 60% from a year ago. Underlying support also comes from a steady drawdown in the U.S. oil glut – with the current oversupply now pegged at about 800,000 barrels per day compared to 1.5 – 2.0 million barrels earlier this year. The U.S. DOE Energy Information Agency reported domestic crude oil stocks rose by 1.3 million bbls last week, compared to an expected decrease of 3.5 million bbls. Distillates fell by 3.17 million bbls, while gasoline stocks fell by 2.496 million bbls. **Crude oil futures (June contract) finished up \$1.95/bbl for the week at \$48.16/bbl.**

**USDA Crop Progress / Condition Report, May 16, 2016**

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|---|---|---|---|---|---|---|---|
| US Barley | 90% planted<br>68% emerged | 79%<br>47% | 93%<br>68% | 71%<br>42% | 75% | NA | 64% |
| **ID Barley** | **92% planted**<br>**79% emerged** | **90%**<br>**72%** | **96%**<br>**79%** | **92%**<br>**63%** | **81%** | **NA** | **71%** |
| US Spring Wheat | 89% planted<br>60% emerged | 77%<br>39% | 92%<br>63% | 64%<br>36% | | | |
| **ID Spring Wheat** | **96% planted**<br>**86% emerged** | **91%**<br>**71%** | **99%**<br>**87%** | **94%**<br>**68%** | | | |
| US Winter Wheat | 68% headed | 57% | 65% | 56% | 62% g/ex | 62% | 45% |
| **ID Winter Wheat** | **10% headed** | **5%** | **18%** | **4%** | **88% g/ex** | **89%** | **62%** |
| Corn | 75% planted<br>43% emerged | 64%<br>27% | 82%<br>48% | 70%<br>34% | | | |

## Weather / Crop Conditions

## U.S. –

- **PNW** – A slow moving cold front moved through the region this week bringing mostly cooler temps and beneficial moisture. The extended forecast continues to show cool temps and near normal precip.
- **Northern Plains** – Warm and breezy conditions this week, with beneficial showers expected by the weekend which will help boost topsoil moisture for spring grains.
- **Central/Southern Plains** – Showers and thunderstorms lingered across parts of Texas and Oklahoma this week causing localized flooding in some areas.
- **Corn Belt** – Widespread rains continued to slow planting across the southern and eastern Corn Belt. Conditions are are expected to be warmer and drier this weekend.
- **The 6-10 day outlook** – Near to above normal precipitation for much of the country and cooler than normal in the West but warmer than normal across the Midwest and East.

**INTERNATIONAL -**

- **Europe –** Continued showery conditions help maintain favorable growing conditions.
- **Black Sea region –** Continued warm and showery conditions across S. Ukraine and W. and S. Russia maintain good growing conditions. Warm sunny conditions continue to accelerate spring grain planting across Central Russia and Kazakhstan.
- **Northern Africa –** Rain has delayed winter grain drydown and harvesting in some areas.
- **Middle East –** Widespread showers favored winter grains in Turday and northwestern Iran, while dry and hot conditions accelerated maturity and harvesting in Syria and Southern Iran.
- **China –** Widespread showers across eastern growing regions boosted topsoil moisture for summer crops, but slowed winter wheat drydown and harvest.
- **South America –** Rains continued across southern Brazil but the key central-west safrinha corn growing region remained mostly dry this week. Argentina's weather continued to improve, accelerating corn and soybean harvest.
- **Australia –** Eastern growing regions expected dry conditions next two weeks.

**5/17/2016 PEST / STRIPE RUST ALERT from Dr. Juliet Marshall, UI Associate Professor of Cereal Pathology & Agronomy, Idaho Falls…** There is no doubt in my mind - spray susceptible spring varieties especially at herbicide timing. Stripe rust has been confirmed in Logan, Blue Creek, and Hyrum / Millville area of UT. It's in Preston, and **throughout southern Idaho** stretching from Tetonia to Parma and into Ontario, OR, as well as throughout OR, WA, CA. Positive samples are coming from Ririe, Jerome, Twin Falls, Arbon Valley, etc. in dryland and irrigated winter wheat. We even have a small amount of Stripe Rust in barley, so it is advisable to scout your fields.