

Idaho Grain Market Report, June 9, 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, June 7, 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		\$3.50	\$4.12	\$5.85	\$4.30
Idaho Falls		\$8.30 -8.33	\$3.85	\$4.10	\$5.95	\$4.40
Blackfoot / Pocatello		\$6.50	\$3.85	\$4.10	\$5.95	\$4.40
Grace / Soda Springs	\$5.50		\$3.74	\$3.62	\$5.72	\$4.12
Burley / Rupert	\$5.00		\$3.55	\$3.42	\$5.52	\$3.99
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.90-6.25		\$3.75-3.78	\$3.65	\$5.68	\$4.20
Nampa – Weiser	\$5.25		\$3.85			
Nez Perce / Craigmont	\$4.25		\$4.11	\$4.44	\$6.19	
Lewiston	\$4.75		\$4.37	\$4.70	\$6.45	
Moscow / Genesee	\$4.25-4.85		\$4.14-4.28	\$4.47-4.61	\$6.22-6.36	\$4.61

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 - \$4.79 ³ / ₄ - 4.99 ³ / ₄ Aug new crop \$4.83 ³ / ₄ - 4.94 ¹ / ₄	\$5.21 - 5.41 Aug new crop \$5.33 - 5.43	\$6.95 ¹ / ₂ - 7.15 ¹ / ₂ Aug new crop \$6.89 - 7.14	
Los Angeles	\$8.70-9.00					
Tulare	\$8.70-9.00					
Ogden	\$6.20		\$4.00	\$4.00	\$6.00	\$4.46
Great Falls	\$4.60-4.75	\$6.75		\$4.32-4.40 (12%)	\$5.89-6.02	
Minneapolis	\$4.27			\$4.81 (12%)	\$6.95 ¹ / ₂	

Market trends this week

BARLEY – Local feed barley prices were steady to 65 cents higher in southern Idaho (mostly steady) and steady in Northern Idaho. Open market malting barley prices remained steady this week. USDA reported no barley export sales last week and cumulative MY 2016/17 barley exports of 25.4 TMT, down 3% from the previous year.

BARLEY S&D Projections June 9, 2017 - MY 2016/17 (ended May 31) –USDA lowered barley imports by 2 million bu and cut ending stocks by an equal amount to 93 million bu. **New Marketing Year 2017/18** – USDA lowered beginning stocks by 2 million bu and cut new crop ending stocks by an equal amount to 74 million bu.

WHEAT – Local wheat prices were higher this week: SWW prices ranged from steady to 35 cents higher; HRW prices ranged from minus 6 to plus 27 cents; and DNS prices were 11 to 31 cents higher. USDA reported export sales were on the high end of trade expectations as 461 TMT for MY 2017/18 which began June 1. Wheat export shipments last week totaled 470.9 TMT for MY 2016/17 and 93.9 TMT for MY 2017/18. Cumulative wheat exports in MY 2016/17 totaled 26.5 MMT, up 36% from the previous year.

WHEAT S&D Projections June 9, 2017 – MY 2016/17 (ended May 31) - USDA raised old crop wheat imports by 2 million bu to 117 million bu, resulting in an equal increase in old crop ending stocks to 1.161 billion bu. **New Marketing**

Year 2017/18 – USDA pegged **2017 U.S. wheat production at 1.824 billion bu, up 4 million bu from last month but down 486 million bu or 21% from last year.** Winter wheat is pegged at 1.25 billion bu, compared to trade estimates of 1.248 billion bu. Beginning stocks are increased by 2 million bu and imports are increased by 5 million bu, **resulting in a 10 million bu increase in wheat ending stocks to 924 million bu, 20% lower than last year and ABOVE the average pre-report trade estimate of 910 million bu.** The average U.S. wheat farm-gate price was raised at both ends to \$3.90-4.70/bu. **World wheat production is pegged at 739.5 MMT**, up 1.7 MMT from last month but down 2% from last year. **World wheat ending stocks are pegged at 261.2 MMT**, up nearly 3 MMT from last month and ABOVE the average pre-report trade estimate of 258.5 MMT.

Wheat Competitor / Buyer News – SovEcon is now projecting Russia’s wheat crop at 64 MMT compared to USDA’s current estimate of 69 MMT and last year’s 72.5 MMT. Saudi Arabia is tendering to import 770 TMT of optional origin hard wheat.

CORN – USDA reported corn export sales last week were well below trade expectations at 348.6 TMT (plus MY 2017/18 sales of 128 TMT), down 15% from the previous year and down 25% from the 4-week average. Corn export shipments last week totaled 1.214 MMT, down 9% from the previous week but up 4% from the 4-week average.

CORN S&D Projections June 9, 2017- MY 2016/17 (ends Aug 31)- USDA made no changes to the old crop corn balance sheet, despite a stronger than forecast ethanol and export usage, but tightened the average farm-gate price of corn to \$3.25-3.45/bu. **MY 2017/18** – As expected USDA left the new crop balance sheet unchanged with endings stocks pegged at 2.11 billion bu. **World corn production is pegged at 1,031.9 MMT**, down 1.8 MMT from last month and down 3% from last year. **World corn ending stocks are pegged at 194.3 MMT**, down nearly 1 MMT from last month and down 13% from the previous year, and BELOW the average pre-report trade estimate of 196.4 MMT.

Ethanol corn usage – DOE’s Energy Information Agency reported a surprising downtick in U.S. ethanol production last week – down 21,000 bbls or 2% to 999,000 bbls per day, which is down 0.7% from a year ago. Ethanol stocks declined by 3.4% to 21.98 million bbls, up 8.7% from the previous year. Weekly corn usage for ethanol remains very strong at 104.9 million bu and above the pace needed to reach the USDA estimate usage for MY 2016/17. Cumulative corn use for ethanol currently totals 4.2 billion bu.

Corn Competitor / Buyer News – CONAB is projecting the current year Brazilian corn crop at 98.8 MMT compared to USDA’s latest estimate of 97 MMT. China sold 474.8 TMT of 1.86 MMT of state corn reserves offered by auction this week.

Futures Market trends this week

WHEAT – Wheat markets opened the week mixed with spring wheat continuing to strengthen on short covering sparked by expanding dry conditions across the spring wheat belt and quality concerns with the smaller winter wheat crop. Prices continued to grind higher on Tuesday and Wednesday, boosted by short covering triggered by talk of disappointing yields and tightening new crop stocks. Winter wheat contracts posted the best prices in more than a month and spring week posted the highest close in nearly 2 years. Wheat prices finished higher again on Thursday boosted by declining crop conditions. **Wheat market closes on Thursday, 6/08/2017 ...**

	July 2017	Weekly Summary	Sept 2017	Weekly Summary	Dec 2017	Weekly Summary
CHI SRW	\$4.49 ¹ / ₄	Up \$0.19 ³ / ₄	\$4.63 ¹ / ₄	Up \$0.19 ¹ / ₂	\$4.84 ¹ / ₂	Up \$0.19 ¹ / ₂
KC HRW	\$4.53 ³ / ₄	Up \$0.20 ¹ / ₂	\$4.70 ³ / ₄	Up \$0.19 ¹ / ₄	\$4.95 ¹ / ₂	Up \$0.18 ³ / ₄
MGE DNS	\$6.04 ¹ / ₄	Up \$0.20 ¹ / ₂	\$6.08 ¹ / ₂	Up \$0.21 ¹ / ₂	\$6.06 ¹ / ₄	Up \$0.17 ³ / ₄

CORN – Corn opened the week fractionally higher on a combination of technical support and concerns about emerging dryness across the key central growing regions. Prices settled sharply higher on Tuesday and Wednesday fueled by continued short covering and new buying on dry weather concerns. Corn prices pushed to a 11 month high early in the Thursday session on active fund short covering triggered by a heat wave expected this weekend across the Midwest, but prices retreated late in the session to finish only fractionally higher in active trading. **Corn futures contract closes on Thursday, 6/08/2017 ... July 2017 contract at \$3.85³/₄, up \$0.13 for the week, Sept. 2017 contract closed at \$3.93¹/₂, up \$0.12³/₄ for the week and the Dec. 2017 contract closed at \$4.03³/₄, up \$0.12³/₄ for the week.**

CRUDE OIL – Crude oil futures continued to see pressure this week from concerns over burdensome stocks as underlying support from OPEC’s first oil production cuts in 8 years are being offset by higher production by the U.S. and OPEC members like Iran, Nigeria and Libya which are exempt from the cartel’s pumping curbs. U.S. crude oil stocks surprisingly jumped last week as refining edged off their previous week’s record processing level - up 3.295 million bbls compared to an expected decline of 3.5 million bbls. Distillate stocks increased by 4.355 million bbls, compared to an expected increase of 281,000 bbls, while gasoline stocks increased by 3.324 million bbls, compared to an expected

increase of 580,000 bbls. **Crude oil futures finished down \$2.02/bbl for the week to close at \$45.64/bbl.**

Weather / Crop Conditions –

U.S. – Mostly hot and dry conditions prevailed across the PNW and Intermountain region, followed by much cooler conditions late this week into the weekend. The Northern Plains continued to see moisture stress but showers are moving into the region by this weekend, however many key ND and SD regions may miss needed precipitation reinforcing concerns sparked by USDA’s surprising move to lower their spring wheat crop condition on Monday to 55%, below trade expectations and well below the 10-year average of 74%. The Central and Southern Plains were mostly warm and dry this week with showers lingering in parts of the Southeastern Plains, allowing harvest to advance northward into Kansas. Yield reports are highly variable but mostly disappointing due to early season dryness. The Cornbelt was warm and mostly dry this week, with showers confined to the southern belt. Key areas across the central belt have not received beneficial moisture for the past two weeks and are looking at very warm conditions to persist, when the heat index approaches 100. The **6-10 day outlook** calls for cool and wet conditions across the northern PNW; cool and dry across the Intermountain region; warm and dry across the Western, Central and Southern Plains; and warm and wet across the Northern Plains and much of the Midwest.

USDA Crop Progress / Condition Report, June 5, 2017

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	99% planted 84% emerged	94% 76%	100% 92%	96% 87%	69%	70%	78%
ID Barley	97% planted 88% emerged	92% 82%	100% 90%	100% 96%	80%	70%	81%
US Spring Wheat	90% emerged	79%	95%	85%	55%	62%	79%
ID Spring Wheat	80% emerged	74%	95%	98%	76%	76%	76%
US Winter Wheat	87% headed 10% harvested	80% NA	90% 2%	85% 7%	49% g/ex	50%	62%
ID Winter Wheat	25% headed	7%	55%	37%	75%	80%	85%
Corn	96% planted 86% emerged	91% 73%	97% 88%	97% 87%	68%	65%	75%

International

Canada – Warm and dry conditions have aided spring grain planting and emergence.

EU – Warmer and drier conditions are accelerating winter grain reproduction.

Black Sea region –Ukraine and western Russia were expected to see rain this week. Central Ukraine has been trending dry while Russian crop areas have seen generally favorable weather during grain fill.

China – Dry and warm conditions persisted across Eastern China where wheat is maturing and being harvested. Northeastern corn areas remain unfavorably dry.

South America – Mostly dry and warm conditions are favorable for corn harvest in Argentina, while southern Brazil saw beneficial rain for second corn crop and wheat.

Australia – Mostly dry conditions have allowed winter grain planting to rapidly advance.