

Idaho Grain Market Report, June 28, 2018 NEW CROP PRICES
 Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

We will NOT publish a report next week due to the July 4 holiday.

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, June 27, 2018. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley</u> <u>(Cwt.)</u> <u>FEED</u> <u>48 lbs or</u> <u>better</u>	<u>MALTING</u> <u>Open</u> <u>market</u> <u>malting</u>	<u>Wheat (bu.)</u> <u>Milling</u> <u>#1 SWW</u>	<u>#1 HRW</u> <u>11.5% pro</u>	<u>#1 DNS</u> <u>14% pro</u>	<u>#1 HWW</u>
Rexburg / Ririe	\$6.50		\$3.85	\$4.70	\$5.05	\$4.90
Idaho Falls	\$6.25	\$8.33	\$4.00	\$4.30	\$4.70	\$4.50
Blackfoot / Pocatello	\$6.25	\$6.50	\$4.00	\$4.30	\$4.70	\$4.50
Grace / Soda Springs	\$6.00		\$4.03	\$4.31	\$4.87	\$4.76
Burley/Rupert	\$5.25		\$4.19	\$4.14	\$4.76	\$4.74
Twin Falls / Buhl / Jerome / Wendell	\$6.00-6.25		\$4.05-4.15	\$4.30	\$4.85	\$4.75
Nampa / Weiser			\$4.75			
Nez Perce / Craigmont	\$5.71		\$5.10	\$4.93	\$5.71	
Lewiston	\$6.23		\$5.36	\$5.19	\$5.97	
Moscow / Genesee	\$5.74-5.95		\$5.13-5.28	\$4.96-5.11	\$5.74-5.94	\$5.43

Prices at Selected Terminal Markets, cash prices FOB

	<u>#2 Feed</u> <u>46 lbs. --</u>	<u>Malting</u>	<u>#1 SWW</u> <u>Ord pro -</u>	<u>#1 HRW</u> <u>11.5% Protein</u>	<u>#1 DNS</u> <u>14% Protein</u>	<u>#1 HWW</u>
Portland			\$5.80-6.00	\$5.68¼-6.03¼	\$6.46¼ - 6.71¼	
Ogden	\$7.45		\$4.40	\$4.70	\$5.30	\$5.15
Great Falls	\$6.50-6.75	\$8.25		\$4.95-5.05 (12%)	\$5.33-5.42	
Minneapolis	\$5.94			\$5.15¼ (12%)	\$6.62 -7.02	

Market trends this week

BARLEY – New crop feed barley prices were steady to 25 cents lower, while nearby open market malting barley prices were mostly steady this week. USDA reported there were no barley export sales last week, while exports totaled 600 MT, to Japan and Taiwan.

WHEAT – Local new crop wheat prices were mostly higher this week. USDA reported wheat export sales last week were on the high end of trade expectations at 563.7 TMT. Wheat export shipments last week totaled 356.8 TMT. Average trade estimates for Friday's quarterly stocks and acreage reports... 1.101 billion bu wheat stocks compared to 1.181 billion bu last year. All wheat planted area is pegged at 47.15 million, down from 47.34 million acres in March. Spring wheat acres are pegged at 12.45 million compared to 12.63 million in March and 11.01 million acres last year.

Wheat Competitor/Buyer News – French wheat crop is rated at 75% good/excellent compared to 68% a year ago. Ukrainian winter wheat harvest was reported to be 9% completed this week. SovEcon is pegging Russia's spring wheat acres at 12.3 million, down from 13.0 million last year and the lowest planted area in decades. Stats Canada will released their updated 2018 acreage report on Friday, with average estimate pegged at 24.81 million acres, compared to 25.26 million acres last year. South Korea lifted its suspension of Canadian wheat imports due to a discovery of an unapproved GM trait in wheat shipments, but announced they would continue to test shipments arriving in Korea. Egypt purchased 120 TMT of Russian wheat this week. Egypt has reportedly harvested a smaller than expected domestic crop this year at 3.15 MMT compared to an estimated range of 3.5-4.0 MMT.

CORN – USDA reported net export sales were on the high end of trade expectations last week at 849.9 TMT old crop and 636.8 TMT new crop (MY 18/19), up noticeably from the previous week and up 16% from the previous 4-week average. Corn export shipments last week totaled 1.48 MMT, down 16% from the previous week and down 9% from the previous 4-week average. Average trade estimates for Friday's quarterly stocks and acreage reports... 5.276 billion bu corn

stocks compared to 5.229 billion bu last year. Planted acres are pegged at 88.35 million, up from March estimate of 88.03 million and down from last year's 90.17 million acres.

Ethanol corn usage – DOE's Energy Information Agency reported weekly U.S. ethanol production saw another steady uptick last week – up 8,000 or 0.75% at 1,072,000 bbls/day – up 5.6% from last year. Ethanol stocks inched up slightly last week at 21.67 million bbls, down 0.75% from last year. Weekly corn usage for ethanol remains strong at 111.7 mbu. Cumulative corn usage for ethanol now totals 4.68 billion bu. EPA finally released their 2019 and 2020 Renewable Fuels Standard (RFS) on Tuesday, raising the blending mandate by 3% in 2019, but allowing exemptions to continue for smaller refineries. Conventional corn ethanol is pegged at 15 billion gallons and advanced fuels of 4.88 billion gallons, including biodiesel and cellulosic ethanol.

Corn Competitor/Buyer News – AgroConsult is pegging the Brazilian corn crop at 82 MMT, compared to USDA's latest estimate of 85 MMT and last year's 98.5 MMT. China's corn imports in the period January through May topped 1.69 MMT, up 380% from a year ago, driven by high domestic corn prices and strong ethanol demand. South Korean feed groups were active buyers of optional origin corn this week, buying more than 217 TMT.

Futures Market trends this week

WHEAT – Wheat prices continued to slump on Monday and Tuesday, under pressure from harvest hedging with reports of better than expected yields across many HRW areas, a rising dollar and weak outside markets that are swamped by unresolved trade frictions with China and other trading partners who are implementing retaliatory import tariffs against many U.S. farm products. Winter wheat prices rebounded higher on Wednesday, boosted by bargain buying and short covering. Prices finished lower today (Thursday) under pressure from a stronger dollar which is trading at a 11 month high. Better than expected weekly export sales helped to limited wheat losses. **Wheat futures contract closes on Thursday, 6/28/2018...**

	July 2018	Week Change	Sept 2018	Week Change	Dec 2018	Week Change
CHI SRW	\$4.79½	Down \$0.11¾	\$4.83½	Down \$0.20¾	\$4.99½	Down \$0.22
KC HRW	\$4.53¾	Down \$0.35½	\$4.72	Down \$0.33½	\$4.95½	Down \$0.33¾
MGE DNS	\$5.21½	Down \$0.27½	\$5.37½	Down \$0.23½	\$5.55¼	Down \$0.21

CORN- Corn prices fell on Monday, posting fresh contract lows as traders focus adopt a "rain makes grain" mentality. Corn prices were modestly lifted on Tuesday by bargain buying and slightly lower weekly crop quality rating. Corn saw prices trade in a narrow range on Wednesday in positioning ahead of Friday's key quarterly stocks and acreage estimates from USDA. Corn posted solid losses today (Thursday) under pressure from follow-through position squaring ahead of Friday's reports. **July 2018 contract closed on Thursday, 6/28/2018 at \$3.45, down \$0.13¾ for the week, Sept. 2018 contract closed at \$3.54¼, down \$0.12¼ for the week and Dec. 2018 contract closed at \$3.66, down \$0.12 for week.**

CRUDE OIL – Crude oil futures surged this week, despite a weekend announcement by OPEC and its allies that will increase pumping by 1 million bbls per day by the second half of 2018. Support came from a much bigger than expected draw in domestic inventories ahead of the big July 4 driving week and concerns over Libyan crude exports. The U.S. EIA reported weekly domestic oil stockpiles fell by 9.891 million bbls last week, compared to an expected decline of 2.6 million bbls. Distillate stocks increased by 15,000 bbls, compared to an expected increase of 774,000 bbls. Gasoline stocks increased by 1.15 million bbls, compared to an expected increase of 1.3 million bbls. **Crude oil futures finished up \$4.87/bbl for the week to close at \$73.45/bbl (Aug contract).**

U.S. Crop Weather/ Crop Conditions – The PNW was seasonably warm and dry this week. Excessive heat and significant rainfall covered the Central and Southern Plains this week, causing some winter wheat harvest delays and quality concerns. A slow moving cold front triggered heavy showers and violent storms across much of the WCB into the Dakotas. **The 6-10 day outlook** calls for cooler and wetter conditions across the Northwest and Upper Northwest, while the Central U.S. will see above normal temperatures and drier than normal conditions, although there are disagreements between models about how long the high pressure ridge will persist. Corn pollination will advance over the next couple weeks during the rising heat and drying trend.

USDA Crop Progress / Condition Report, June 25, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	28% headed	8%	25%	32%	83% g/ex	84%	60%
ID Barley	43% headed	25%	49%	48%	89% g/ex	84%	

US Spring Wheat	34% headed	9%	33%	27%	77% g/ex	78%	40%
ID Spring Wheat	34% headed	13%	27%	43%	78% g/ex	70%	
US Winter Wheat	41% harvested	27%	39%	33%	37% g/ex	39%	49%
ID Winter Wheat	95% Headed 0% harvested	86%	74%	88%	81% g/ex	77%	
Corn	5% silking	NA	4%	3%	77% g/ex	78%	67%

International Crop/Weather –

Canada – Recent rains have helped maintain overall favorable spring grain growing conditions.

Europe – Dry weather is rapidly accelerating winter grain maturation and drydown.

Black Sea – Western wheat regions remain unfavorably hot and dry, reducing yield prospects. Spring wheat areas continue to receive beneficial moisture across Central Russia and northern Kazakhstan.

China – Showers are benefitting corn in key areas of Shandong, Henan and Hebei but slowing winter wheat harvest.

Australia – Beneficial showers are expected in the next 5-7 days.

South America – Southern Brazil has been warm and dry, favoring emerging wheat and second crop corn harvesting. Conditions across Argentina remain favorable for winter grain planting and emergence.