

**Idaho Grain Market Report, July 12, 2018 NEW CROP PRICES**

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, July 11, 2018. 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	\$6.00		\$4.07	\$4.74	\$4.90	\$4.99
Idaho Falls		\$8.30-8.33	\$4.00	\$4.30	\$4.60	\$4.50
Blackfoot / Pocatello		\$6.50	\$4.00	\$4.30	\$4.60	\$4.50
Grace / Soda Springs	\$7.20		\$4.04	\$4.34	\$4.90	\$4.79
Burley/Rupert	\$6.50		\$4.11	\$4.05	\$4.76	\$4.80
Twin Falls / Buhl / Jerome / Wendell	\$5.50-6.25		\$4.10-4.20	\$4.30	\$4.88	\$4.75
Nampa / Weiser			\$4.75			
Nez Perce / Craigmont	\$5.71		\$4.95	\$5.18	\$5.53	
Lewiston	\$6.23		\$5.21	\$5.44	\$5.84	
Moscow / Genesee	\$5.74-5.95		\$4.98-5.13	\$5.21-5.36	\$5.56-5.81	\$5.36

**Prices at Selected Terminal Markets, cash prices FOB**

	<b>#2 Feed 46 lbs. --</b>	<b>Malting</b>	<b>#1 SWW Ord pro -</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			\$5.80-6.08	\$5.74-5.99	\$6.25½ - 6.45½	
Ogden	\$7.45		\$4.27	\$4.57	\$5.24	\$5.01
Great Falls	\$6.50-6.75	\$8.25		\$4.86-5.01 (12%)	\$5.15-5.25	
Minneapolis	\$5.94			\$5.24 (12%)	\$6.60 ½ - 6.95½	

**Market trends this week**

**BARLEY** – USDA reported there were no barley export sales last week, while exports totaled 2000 MT to Japan.

**BARLEY S&D Projections July 12, 2018 -**

**Marketing Year 2018/19 (began June 1)** – USDA made several tweaks to the barley balance sheet this month...they increased beginning stocks by 30 million bu to 95 million bu, raised new crop production by 8 million bu to 155 million bu, cut feed usage by 10 million bu to 15 million bu and cut food and malting use by 10 million bu to 170 million bu, resulting in a 47 million bu increase in ending stocks to 94 million bu. **The average farm-gate barley price projection was left unchanged this month at \$4.00-5.20/bu.**

**WHEAT** – USDA reported wheat exports sales were below trade expectations last week at only 136.4 TMT, down 69% from the previous week and down 69% from the previous 4-week average. Cumulative new crop export sales have reached 23.7% of the USDA estimate for the marketing year, compared to a 5-year average of 33.9%. Wheat export shipments also were weak at 285.0 TMT.

**WHEAT S&D Projections July 12, 2018 -**

**Marketing Year 2018/19 (began June 1)** – Mixed reaction to USDA's wheat balance sheet this month...USDA raised beginning stocks by 20 million to 1.1 billion bu, raised new crop U.S. wheat production by 54 million bu to 1.881 billion bu, raised domestic feed use by 10 million bu to 130 million bu and raised exports by 25 million bu to 925 million bu. This resulted in a **39 million bu increase in ending stocks to 985 million bu, ABOVE the average pre-report trade estimate of 973 million bu.** The average U.S. wheat farm-gate price was tightened on each end of the range to \$4.50-5.50/bu. **World wheat production was pegged at 736.3 MMT, down 3% from the previous year,** based on smaller crops projected in the EU, Russia, Ukraine and Australia. **World wheat ending stocks were pegged at 260.9 MMT, down 5% from the previous year, and BELOW the average pre-report trade estimate of 265.1 MMT.** World wheat stocks-to-use were pegged at 34.8%, an improvement from 36.9% in MY 2017/18.

**Wheat Competitor/Buyer News** – USDA cut their wheat production estimates for several key competitor countries: cut EU production by 4.4 MMT to 145 MMT, cut Russian production by 1.5 MMT to 67.0 MMT; cut Ukrainian crop by 1.0 MMT to 25.5 MMT and cut Australian crop by 2 MMT to 22.0 MMT. Strategie Grains pegged the EU wheat crop at 141.1 MMT (USDA 145 MMT). SovEcon pegged the Russian crop this week at 69.6 MMT and IKAR pegged their crop at 70.8 MMT (USDA 67.0 MMT). CNGOIC projected China's new wheat crop at 122.5 MMT, down from a previous estimate of 126.7 MMT. USDA cut their estimate of China's crop by 1 MMT this week to 128.0 MMT. Egypt purchased 175 TMT of Russian wheat this week.

**CORN** – USDA reported corn export sales were on the low end of trade expectations last week at 402.1 TMT old crop and 128.0 TMT new crop (MY 18/19), down 9% from the previous week and down 33% from the previous 4-week average. Corn export shipments were solid at 1.396 MMT, down 8% from the previous week and down 9% from the previous 4-week average.

**CORN S&D Projections July 12, 2018-**

**MY 2017/18 (ends Aug 31)-** USDA corn balance sheet was considered **BULLISH** by the trade... they cut old crop ending stocks by 75 million bu to 2.027 billion bu, which was **BELOW** the average pre-report trade estimate of 2.107 billion bu. They tightened the average old crop farm-gate price to \$3.30-3.50/bu. **MY 2018/19 (begins Sept. 1) –** They cut beginning stocks by 75 million bu, increased new crop production by 190 million bu to 14.23 billion bu, increased domestic feed usage by 75 million bu to 5.425 billion bu, cut ethanol use by 50 million bu to 5.625 billion bu, and raised exports by 125 million bu to 2.225 billion bu, resulting in a **25 million reduction in new crop ending stocks to 1.552 billion bu. This was BELOW the average pre-report trade estimate of 1.712 billion bu. World corn production was pegged at 1,054.3 MMT, up 2% from the previous year, while world corn ending stocks were pegged at 151.96 MMT, down 21% from the previous year and BELOW the average pre-report trade estimate of 156.3 MMT. World corn stocks-to-use were pegged at 13.9%, down from 17.9% in the current marketing year. If realized this will be the tightest world corn stocks to use since 1973/74 season.**

**Ethanol corn usage** – DOE's Energy Information Agency reported a downtick in weekly U.S. ethanol production - down 3.2% to 1,033,000 bbls/day – up 2.6% from last year. Ethanol stocks inched up 1.9% to 22.39 million bbls, up nearly 6% from a year ago. Weekly corn usage for ethanol remains strong at 107.6 mbu. Cumulative corn usage for ethanol now totals 4.89 billion bu. USDA surprised traders today by cutting their MY 2018/19 ethanol corn usage by 50 million bu to 5.625 billion.

**Corn Competitor/Buyer News** – As expected, USDA cut their current marketing year Brazilian corn production estimate by 1.5 MMT to 83.5 MMT. CONAB pegged the Brazilian corn crop this week at 82.9 MMT, down from their June estimate of 85 MMT. CONAB has projected their corn exports at 30 MMT, compared to USDA's export projection of 26 MMT. CNGOIC projected China's new corn crop at 216.5 MMT, up from their earlier estimate of 213.7 MMT. USDA left their Chinese corn crop estimate unchanged this week at 225 MMT.

**Futures Market trends this week**

**WHEAT** – Wheat prices fell sharply on Monday through Wednesday, under pressure from technical selling and profit-taking triggered by a rising dollar and spillover pressure from soybeans and corn. Wheat prices rebounded today (Thursday) on USDA's lower world wheat production and carryover stocks estimate. **Wheat futures contract closes on Thursday, 7/12/2018...**

	<b>Sept 2018</b>	<b>Week Change</b>	<b>Dec 2018</b>	<b>Week Change</b>	<b>Mar 2019</b>	<b>Week Change</b>
CHI SRW	\$4.84¼	Down \$0.30¾	\$5.01¼	Down \$0.28¾	\$5.18¼	Down \$0.25½
KC HRW	\$4.81¼	Down \$0.31¾	\$5.05¾	Down \$0.27½	\$5.24	Down \$0.25¾
MGE DNS	\$5.30½	Down \$0.27¾	\$5.49¼	Down \$0.25¾	\$5.65½	Down \$0.24½

**CORN-** Corn prices slumped the first three days under profit-taking pressures triggered by favorable corn pollination weather, expectations of record yields and escalating trade tensions with China. Corn posted turn-around gains today (Thursday) on support from bullish world supply and demand projections from USDA which show the tightest world corn stocks to use since the 1973-74 season. **Sept 2018 contract closed on Thursday, 7/12/2018 at \$3.45¾, down \$0.14½ for the week, Dec. 2018 contract closed at \$3.59¾, down \$0.13¾ for the week and Mar. 2019 contract closed at \$3.71, down \$0.12¼ for week.**

**CRUDE OIL** – Crude oil futures chopped in both directions this week with pressure from a rising dollar and support from declining domestic stockpiles. Some significant oil supply disruptions in Norway and Libya provided underlying support. The U.S. EIA reported weekly domestic oil stockpiles fell by 12.63 million bbls last week, compared to an expected decline of 4.489 million bbls. Distillate stocks increased by 4.125 million bbls, while gasoline stocks decreased by 694,000 bbls. **Crude oil futures finished down \$3.37/bbl for the week to close at \$70.33/bbl (Aug contract).**

**U.S. Crop Weather/ Crop Conditions** – The PNW was seasonably warm and dry this week with a return of mostly hot conditions by the weekend. A heat dome over the Southwest and Central U.S. is spinning off a series of storms stretching from the southwest into the Upper Midwest, including the Dakotas. Above normal temperatures persisted across the Central and Southern Plains, where winter wheat harvest has passed the 60% mark. Hot air will overspread the entire Midwest by the weekend, but soil moisture remains favorable for corn silking. Temperatures are moderate through the end of the month. **The 6-10 day outlook** calls for above normal temperatures for the PNW and Midwest, with cooler than normal conditions across the Upper Midwest.

**USDA Crop Progress / Condition Report, July 9, 2018**

<b>Crop</b>	<b>% Progress</b>	<b>Previous Week</b>	<b>Previous Year</b>	<b>5-Year Average</b>	<b>Condition rating % good/excellent</b>	<b>Previous Week</b>	<b>Previous Year</b>
US Barley	78% headed	50%	69%	73%	85% g/ex	84%	57%
<b>ID Barley</b>	<b>85% headed</b>	<b>59%</b>	<b>78%</b>	<b>78%</b>	<b>88% g/ex</b>	<b>89%</b>	
US Spring Wheat	81% headed	58%	76%	69%	80% g/ex	77%	35%
<b>ID Spring Wheat</b>	<b>81% headed</b>	<b>55%</b>	<b>69%</b>	<b>80%</b>	<b>80% g/ex</b>	<b>78%</b>	
US Winter Wheat	63% harvested	57%	65%	61%			
<b>ID Winter Wheat</b>	<b>1% harvested</b>	<b>--</b>	<b>--</b>	<b>2%</b>	<b>83% g/ex</b>	<b>81%</b>	
Corn	37% silking	17%	18%	18%	75% g/ex	76%	65%

**International Crop/Weather –**

**Canada** – Recent warm and mostly wet conditions have been beneficial to spring grains.

**Europe** – Dry weather is rapidly accelerating winter grain maturation and early harvest. Drought has intensified in parts of Germany and northwestern Poland, while dryness expands across England, impacting spring grain yields.

**Black Sea** – Cooler showery conditions across Southern Russia is benefiting reproductive corn but pockets of drought remains and precip has come too late to improve winter wheat yields. Meanwhile, corn yields remain good to excellent across northern Ukraine, but pockets of drought persist in southeastern growing region.

**China** – Widespread showers are boosting corn yield prospects. .

**Australia** – Rains across the northeast have stabilized winter grain conditions but yield prospects remain poor. Southeastern growing areas continue to receive widely scattered showers to maintain good yields but more rain is needed. By contrast the key western growing region continues to receive beneficial soaking rains.

**South America** – Southern Brazil has received beneficial moisture to boost wheat yields, while winter grain conditions remain favorable in the Buenos Aires region.