

Idaho Grain Market Report, July 20, 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, July 19, 2017. Barley prices in \$/Cwt. and wheat prices in \$/bu. **THESE ARE NEW CROP 2017 BIDS.**

|   | <b>Barley<br/>(Cwt.)<br/>FEED</b> | <b>MALTING</b>                     | <b>Wheat (bu.)<br/>Milling</b> |                             |                           |               |
|---|-----------------------------------|------------------------------------|--------------------------------|-----------------------------|---------------------------|---------------|
|   | <b>48 lbs or<br/>better</b>       | <b>Open<br/>market<br/>malting</b> | <b>#1 SWW</b>                  | <b>#1 HRW<br/>11.5% pro</b> | <b>#1 DNS<br/>14% pro</b> | <b>#1 HWW</b> |
| Rexburg / Ririe                         | \$5.75                            |                                    | \$3.80                         | \$4.70                      | \$7.20                    | \$4.80-5.00   |
| Idaho Falls                             |                                   | \$8.30 -9.06                       | \$3.75                         | \$4.60                      | \$7.55                    | \$4.80        |
| Blackfoot / Pocatello                   |                                   | \$6.50                             | \$3.75                         | \$4.60                      | \$7.55                    | \$4.80        |
| Grace / Soda Springs                    | \$6.15                            |                                    | \$4.10                         | \$4.38                      | \$7.36                    | \$5.13        |
| Burley / Rupert                         | \$5.75                            |                                    | \$4.00                         | \$4.27                      | \$7.27                    | \$4.92        |
| Hazelton                                |                                   |                                    |                                |                             |                           |               |
| Twin Falls / Buhl /<br>Jerome / Wendell | \$5.90-6.30                       |                                    | \$4.00-4.10                    | \$4.33                      | \$7.25                    | \$5.13        |
| Nampa / Weiser                          | \$5.50                            |                                    | \$4.40                         |                             |                           |               |
| Nez Perce / Craigmont                   | \$4.50                            |                                    | \$4.61                         | \$4.94                      | \$8.01                    |               |
| Lewiston                                | \$5.00                            |                                    | \$4.87                         | \$5.20                      | \$8.27                    |               |
| Moscow / Genesee                        | \$4.75                            |                                    | \$4.64-4.78                    | \$4.97-5.17                 | \$8.04-8.23               | \$5.17        |

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

|             | <b>#2 Feed<br/>46 lbs. --</b> | <b>Malting</b> | <b>#1 SWW<br/>Ord pro -<br/>Aug new crop</b> | <b>#1 HRW<br/>11.5% Protein<br/>Aug new crop</b> | <b>#1 DNS<br/>14% Protein<br/>Aug new crop</b> | <b>#1 HWW</b> |
|-------------|-------------------------------|----------------|--|--|--|---------------|
| Portland    |                               |                | \$5.18– 5.45                                 | \$5.70¼ – 5.95¼                                  | \$8.75½ – 8.95½                                |               |
| Los Angeles | \$9.00-9.25                   |                |  |  |  |               |
| Tulare      | \$9.00–9.25                   |                |  |  |  |               |
| Ogden       | \$6.50                        |                | \$4.30                                       | \$4.65   | \$7.65   | \$5.55        |
| Great Falls | \$4.50-4.60                   | \$7.25         |  | \$4.81-5.04 (12%)                                | \$7.60–7.87                                    |               |
| Minneapolis | \$4.27                        |                |  | \$5.30¼ (12%)                                    | \$8.55½ -8.90½                                 |               |

**Market trends this week**

**BARLEY** – Local feed barley prices ranged from steady to 5 cents higher this week, while open market malting barley prices were steady to 73 cents higher this week. USDA reported barley export sales were a marketing year high last week at 5.5 TMT, all to Japan. Barley exports totaled 200 MT to Taiwan.

**WHEAT** – Local wheat prices were lower this week: SWW prices ranged from 10 to 32 cents lower; HRW prices ranged from 15 to 44 cents lower; and DNS prices ranged from minus 35 cents to plus 35 cents. USDA reported export sales were above trade expectations at 669.5 TMT, up 87% from the previous week and up 52% from the previous 4-week average. Wheat export shipments also were strong last week at 550.2 TMT, up 16% from the previous week.

**Wheat Competitor / Buyer News** – IKAR raised its Russian wheat crop estimate to 71-75 MMT due to favorable growing conditions this year. Many trade analysts are lowering their Australian crop estimate to a range of 19-21 MMT, compared to their most recent government estimate of 24.1 MMT due to dryness expanding across northeastern and southeastern growing areas. About 35% of the Brazilian Parana wheat crop experienced mild frost damage this week. Egypt bought 300 TMT of wheat this week – 120 TMT supplied by Russia, 120 TMT Romania and 60 TMT France.

**CORN** – USDA reported corn export sales last week were on the high end of trade expectations at 466.5 TMT (plus MY 2017/18 sales of 212.1 TMT), up noticeably from the previous week and up 63% from 4-week average. Corn export

shipments last week remained robust at 1.042 MMT, up 18% from the previous week but down 1% from the 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported an impressive uptick in U.S. ethanol production last week due to lower corn prices – up 19,000 bbls or 1.9% to 1,026,000 bbls per day, which is down 0.3% from a year ago. Ethanol stocks jumped 4.5% last week to 22.14 million bbls, about 5% above a year ago. Weekly corn usage for ethanol remains strong at 107.73 million bu and above the pace needed to reach the USDA estimate usage for MY 2016/17. Cumulative corn use for ethanol currently totals 4.84 billion bu.

**Corn Competitor / Buyer News** – Brazil's harvest of its second crop of corn is 35% completed, with their total crop now pegged at 97 MMT, up sharply from 67 MMT produced the previous year. Sinograin is offering 4.4 MMT of corn for auction this week. China has sold 34.7 MMT of government corn stocks this year out of more than 51 MMT offered.

**Futures Market trends this week**

**WHEAT** – Wheat markets opened the week mixed with winter wheat lower on profit-taking pressure and spring wheat closed higher on hot weather lingering across the Northern Plains as harvest rapidly approaches. Prices moved lower across the board as beneficial rain was forecast for much of the Dakotas through the end of the week. However, this moisture likely comes too late for much of the spring wheat crop in this region. Wheat finished moderately higher today (Thursday) on support from strong export sales and concerns about heat and dryness in the extended weather forecast.

**Wheat futures contract closes on Thursday, 7/20/2017 ...**

|         | <b>Sept 2017</b>                   | <b>Weekly Summary</b>                   | <b>Dec 2017</b>                    | <b>Weekly Summary</b>                   | <b>Mar 2018</b>                    | <b>Weekly Summary</b>                   |
|---------|------------------------------------|---|------------------------------------|---|------------------------------------|---|
| CHI SRW | \$5.05 <sup>3</sup> / <sub>4</sub> | Down \$0.05                             | \$5.29 <sup>1</sup> / <sub>4</sub> | Down \$0.05 <sup>1</sup> / <sub>2</sub> | \$5.49 <sup>1</sup> / <sub>2</sub> | Down \$0.04 <sup>3</sup> / <sub>4</sub> |
| KC HRW  | \$5.03 <sup>3</sup> / <sub>4</sub> | Down \$0.09 <sup>3</sup> / <sub>4</sub> | \$5.30 <sup>1</sup> / <sub>4</sub> | Down \$0.09 <sup>3</sup> / <sub>4</sub> | \$5.47 <sup>1</sup> / <sub>4</sub> | Down \$0.08 <sup>3</sup> / <sub>4</sub> |
| MGE DNS | \$7.78                             | Up \$0.20                               | \$7.83                             | Up \$0.22 <sup>3</sup> / <sub>4</sub>   | \$7.79                             | Up \$0.26 <sup>1</sup> / <sub>4</sub>   |

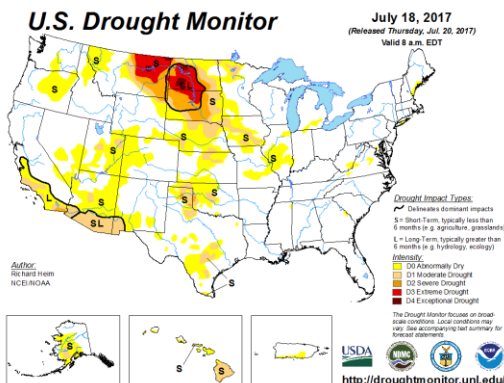
**CORN** – Corn finished modestly lower on Monday on wet forecasts for the Western Corn Belt this week which should help stabilize yield potential. Corn rebounded higher on Tuesday and Wednesday as triple digit heat is expected to stress crops during the final pollination push the past two weeks of July. Lower US dollar and higher crude oil also provided underlying support for corn. Corn posted strong gains today (Thursday), overcoming early profit-taking pressure on concerns with heat and dryness in the extended forecast and support from a weaker dollar trading at a 10 month low.

**Corn futures contract closes on Thursday, 7/20/2017 ...**Sept. 2017 contract at \$3.91, up \$0.14<sup>3</sup>/<sub>4</sub> for the week, Dec. 2017 contract closed at \$4.04<sup>3</sup>/<sub>4</sub>, up \$0.15<sup>1</sup>/<sub>4</sub> for the week and Mar. 2018 contract closed at \$4.15<sup>1</sup>/<sub>4</sub>, up \$0.15 for the week.

**CRUDE OIL** – Crude oil futures chopped mostly higher this week, supported by a lower dollar and projections of another weekly decline in domestic crude oil stockpiles (9<sup>th</sup> straight weekly drawdown), countered by ongoing concerns about a global oil glut. The DOE EIA reported weekly U.S. crude stockpiles fell by 4.727 million bbls, compared to an expected decline of 3.2 million bbls. Distillate stocks fell by 2.137 million bbls, compared to an expected increase of 1.2 million bbls and gasoline stocks decreased by 4.445 million bbls, compared to an expected decline of 655,000 bbls. **Crude oil futures finished up \$0.25/bbl for the week to close at \$46.79/bbl.**

**Weather / Crop Conditions –**

**U.S.** – Hot and dry conditions persisted across the PNW and Intermountain regions this week. Some areas of the drought-stressed Northern Plains and Upper Midwest saw beneficial rain this week, but triple-digit heat continued to stress grain crops and drought intensified across the region. A band of locally heavy storms stretched from Nebraska into the Great Lakes region, benefiting corn but temps remained hot during pollination. The **6-10 day outlook** favors above normal temperatures and near to below normal precipitation for most of the West and Midwest.



**USDA Crop Progress / Condition Report, July 17, 2017**

| <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              | 89% headed          | 72%                  | 94%                  | 91%                   | 53%                                      | 51%                  | 73%                  |
| <b>ID Barley</b>       | <b>86% headed</b>   | <b>79%</b>           | <b>87%</b>           | <b>92%</b>            | <b>84%</b>                               | <b>88%</b>           | <b>77%</b>           |
| US Spring Wheat        | 91% headed          | 79%                  | 95%                  | 87%                   | 34%                                      | 35%                  | 69%                  |
| <b>ID Spring Wheat</b> | <b>78% headed</b>   | <b>70%</b>           | <b>95%</b>           | <b>92%</b>            | <b>70%</b>                               | <b>71%</b>           | <b>77%</b>           |
| US Winter Wheat        | 75% harvested       | 67%                  | 75%                  | 73%                   |  |                      |                      |
| <b>ID Winter Wheat</b> | <b>6% harvested</b> | <b>0%</b>            | <b>5%</b>            | <b>4%</b>             | <b>69%</b>                               | <b>89%</b>           | <b>78%</b>           |
| Corn                   | 40% silking         | 19%                  | 53%                  | 47%                   | 64%                                      | 65%                  | 76%                  |

**International**

**Canada** – Spring grains remain under press from warm and mostly dry conditions across southern prairies.

**EU** –Rains stretching from France into Balkans and Eastern Europe are boosting spring grains, while winter grain harvest advances. Corn crops remained stressed in Spain.

**Black Sea region** – Soaking rainfall has helped ease drought across north central Ukraine, boosting spring small grains and corn crops. Meanwhile conditions remain mostly favorable across western and southern Russia as abundant soil moisture maintains excellent yield potential.

**China** – Pockets of dryness persist across the key northeastern growing region.

**South America** – Brazil continues to see favorable conditions for second crop corn harvest, however southern Brazil's wheat crop is beginning to experience moisture stress and about 35% of the Parana wheat crop experienced mild frost damage this week.

**Australia** – While western growing region has received beneficial showers, southeastern and northeastern growing areas continue to experience moisture deficits which will likely affect yield potential.