Idaho Grain Market Report, July 21, 2016

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NEW CROP Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 20, 2016. Barley prices in $/Cwt. and wheat prices in $/bu.

	Barley (Cwt.) FEED 48 lbs or better	MALTING Open market malting	Wheat (bu.) Milling #1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg / Ririe	$5.85		$3.63-3.80	$3.84	$4.90	$4.05-4.07
Idaho Falls	NQ	$8.90 - $9.38	$3.60	$3.80	$4.40	$4.00
Blackfoot / Pocatello	NQ	new crop $7.50	$3.60	$3.80	$4.40	$4.00
Grace / Soda Springs	$5.95		$3.81	$3.58	$4.64	$4.13
Burley / Rupert Hazelton	$5.40	$9.38	$3.88	$3.21	$4.60	$4.07
Twin Falls / Buhl / Wendell	$5.75- $6.00		$3.60-3.70	NQ	NQ	
Nampa – Weiser	$6.50		$4.02			
Nez Perce / Craigmont	$5.00		$4.27	$4.08	$4.97	
Lewiston	$5.50		$4.53	$4.34	$5.23	
Moscow / Genesee	$5.00-5.25		$4.30–4.42	$4.11-4.35	$5.00-5.24	$4.35

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 -** $4.93 -5.24 **max 10.5% pro** $4.83–5.20	$4.76¾ -5.06¾	$5.65 -5.80	
Los Angeles	$8.90-9.00					
Tulare	$8.90–9.00					
Ogden	$6.30		$4.05	$3.75	$4.95	$4.55
Great Falls	$5.25	$8.00		$3.67-3.86 (12%)	$4.44-4.59	
Minneapolis	$4.79	NQ		$4.46¾ (12%)	$5.55-5.71	

Market trends this week

BARLEY – Local NEW CROP feed barley prices ranged from minus 50 cents to plus 50 cents, but were mostly steady. Open market malting barley prices were steady. USDA reported weekly barley export sales of 300 MT to South Korea and barley exports of 500 MT to Vietnam and South Korea.

WHEAT – Local NEW CROP wheat prices were lower this week: SWW prices ranged from 7 to 30 cents lower; HRW prices ranged from 15 to 20 cents higher and DNS prices ranged from 12 to 25 cents higher. USDA reported weekly export sales were within trade expectations at 478 TMT, up 50% from the previous week but down 15% from the previous 4-week average. Wheat export shipments totaled 360.6 TMT, up 6% from the previous week but down 27% from the previous 4-week average.

Wheat Competitor / Buyer News – The EU granted licenses for 826 TMT of wheat exports this week, bringing their cumulative wheat exports in the new marketing year to 1.8 MMT, compared to 1.3 MMT for the same period last year. USDA Ag Attache raised their Australian wheat production estimate to 26 MMT, up from USDA's mid July S&D projection of 25.5 MMT, based on early season favorable growing conditions. Egypt purchased 300 TMT of Romania (180 TMT) and Russian (120 TMT) wheat this week. Syria purchased 200 TMT of Russian wheat. Last week's attempted Turkish coup resulted in a temporary closure of the Strait of Bosphorous which is the shipping gateway for wheat originating from Black Sea ports. China imported 477.6 TMT of wheat in June, up 11% from the previous month. Their year-to-date wheat imports total 1.77 MMT, up 27% from the previous year.

CORN – USDA reported weekly corn export sales last week were on the low end of trade expectations at 345.1 TMT old crop and 506.3 TMT new crop, down 48% from the previous week and down 42% from the previous 4-week average. Corn export shipments last week remained strong at 1.241 MMT, unchanged from the previous week and down 5% from the previous 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported another uptick in U.S.ethanol produ5tion last week – up 25,000 bpd to 1.029 million bpd, up 2.5% from the previous week and up 6% from last year. US. ethanol stocks iched up marginally last week at 21.1% million bbls, up nearly 8% from a year ago. Corn used to produce ethanol remains very strong at 108.1 million bu, well above the weekly pace needed to achieve USDA's projection for MY 2015/16.

Corn Competitor / Buyer News – Argentine corn plantings for the new MY 2016/17 could rise as much as 25% due to a decision by the new Argentine government not to eliminate soybean export taxes which will likely sift acres out of soybeans into corn. China imported only 66.9 TMT of corn in June, down 92% from the previous month. Their year-to-date corn imports total 2.9 MMT, up 10% from the previous year. Chinese DDGs imports in June totaled 235.6 TMT, up 20% from the previous month but year-to-date imports of 1.54 MMT are down 37% from the previous year. Two Korean feed/processing groups purchased a total of 125 TMT of optional origin corn this week.

Futures Market trends this week

WHEAT – Wheat markets began the week moderately higher in choppy two-sided trading, boosted by short covering and spillover support from corn and soybeans. Wheat fell double digits on Tuesday under pressure from lower corn and beans and a stronger dollar. Prices settled lower again on Wednesday under spillover pressure and fierce competition in an oversupplied world market. Wheat finished higher on Thursday on support from a lower dollar and higher soybeans.
Wheat market closes on Thursday, 7/21/16...

	Sept 2016	Weekly Summary	Dec 2016	Weekly Summary	Mar 2017	Weekly Summary
Chicago SRW	**\$4.17¾**	**Down \$0.07**	**\$4.41¼**	**Down \$0.08½**	**\$4.64½**	**Down \$0.08¼**
KC HRW	**\$4.07½**	**Down \$0.06¼**	**\$4.33½**	**Down \$0.06¼**	**\$4.50¼**	**Down \$0.06½**
MGE DNS	**\$4.86¼**	**Down \$0.10½**	**\$5.02¼**	**Down \$0.11¾**	**\$5.18¼**	**Down \$0.08¾**

CORN – Corn finished moderately higher to start the week on short covering, strong export inspections and spread unwinding of corn vs. soybean trades. Prices churned sharply lower on Tuesday as hot temperatures are expected to give way to cooler conditions by early next week and the dollar climbed to a 4-month high. Corn continued to chop lower on Wednesday and Thursday, posting fresh contract lows on ideas that yields will likely surpass trend line as extended forecasts have turned cooler and wetter. Disappointing corn export sales reported on Thursday added to the negative tone. **Corn futures contract closes on Thursday, 7/21/16… Sept 2016 contract at \$3.34¼, down \$0.18 for the week, Dec 2016 contract closed at \$3.40¾, down \$0.17½ for the week and the Mar 2017 contract closed at \$3.50½, down \$0.15¾ for week.**

CRUDE OIL – Crude oil prices gapped lower this week in the face of a higher dollar which climbed to a 4-month high and ample world supplies. The U.S. DOE Energy Information Agency reported domestic crude oil stocks fell by 2.342 million bbls, compared to an expected decline of 2.1 million bbls. Distillates declined by 214,000 bbls and gasoline stocks increased by 911,000 bbls, compared to an expected steady supply. **Crude oil futures (Aug contract) finished down \$1.00/bbl this week to close at a 2-month low of \$44.75/bbl.**

USDA Crop Progress / Condition Report, July 18, 2016

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	95% headed	89%	99%	86%	73%	74%	71%
ID Barley	**88% headed**	**82%**	**99%**	**92%**	**77%**	**76%**	**88%**
US Spring Wheat	96% headed	89%	95%	90%	69%	70%	70%

ID Spring Wheat	**96% headed**	**89%**	**95%**	**90%**	**77%**	**75%**	**76%**
US Winter Wheat	76% harvested	66%	72%	73%			
ID Winter Wheat	**5% harvested**	**2%**	**10%**	**4%**	**78% g/ex**	**79%**	
Corn	56% silking	32%	47%	46%	76%	76%	69%

Weather / Crop Conditions –

U.S. –

- **PNW** – Cooler temps and isolated showers lingered across the far northwestern edge, while conditions turned warmer and drier across the interior NW and Northern Rockies. The 6-10 day outlook calls for warmer and drier than normal conditions.
- **Northern Plains** – Very warm and wet conditions prevailed this week, but cooler temps are in the extended forecast.
- **Central/Southern Plains** – Hot, mostly dry, conditions prevailed this week with only slight relief in the extended outlook. HRW wheat harvest is rapidly advancing northward through NE and SD, with reports of lower than desired protein (9-10% vs. 12%).
- **Corn Belt** – A wide band of showers moved across the central belt this week, moving eastward into the Greak Lakes region by the weekend. A high pressure ridge across the Central US ushered in well above normal temperatures but the extended outlook has shifted to cooler and wetter conditions next week, particularly across the North Central U.S.

INTERNATIONAL -

- **Canada** – Continued warm showery conditions maintained mostly favorable conditions for spring planted grains.
- **Europe –** Recent sunny weather has promoted crop maturation and harvest, althrough rain has returned to some growing areas, slowing harvest and causing quality concerns. Rain is in the extended forecast for next two weeks.
- **Black Sea region –** Recent heat has stressed summer crops and accelerated winter grain maturation and harvest. Conditions have cooled this week with rains in the forecast for eastern regions. Ukraine reports that nearly 50% of their winter wheat is harvested with reports of strong yields.
- **China –** Conditions remain hot and dry across northeastern China, stressing reproductive corn. Soaking rains across the North China Plains have benefitted the corn crop.
- **South America –** Southern Brazil and northeastern Argentina saw showers this week which will aid corn planting and establishment. Wheat planting is nearly completed in both countries.
- **Australia –** After recent beneficial showers, conditions have turned drier.