

Idaho Grain Market Report, July 26, 2018 NEW CROP PRICES

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 25, 2018. 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		\$4.53	\$5.15	\$5.50	\$5.30
Idaho Falls		\$8.30-8.33	\$4.65	\$5.20	\$5.40	\$5.50
Blackfoot / Pocatello		\$7.00	\$4.65	\$5.20	\$5.40	\$5.50
Grace / Soda Springs	\$6.75		\$4.55	\$4.81	\$5.38	\$5.36
Burley/Rupert	\$6.50		\$4.56	\$4.72	\$5.13	\$5.22
Twin Falls / Buhl / Jerome / Wendell	\$6.25		\$4.75	\$4.90	\$5.47	\$5.45
Nampa / Weiser			\$5.05			
Nez Perce / Craigmont	\$5.21		\$5.10	\$5.75	\$5.97	
Lewiston	\$5.75		\$5.36	\$6.01	\$6.23	
Moscow / Genesee	\$5.24-5.45		\$5.13-5.28	\$5.78-5.94	\$6.00-6.15	\$5.99

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. --	Malting	#1 SWW Ord pro -	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			\$5.80-5.95	\$6.50 ³ / ₄ -6.65 ³ / ₄	\$6.82 ¹ / ₄ - 6.87 ¹ / ₄	
Ogden	\$7.00		\$4.95	\$5.26	\$5.97	\$5.81
Great Falls	\$5.75-6.50	\$8.15- 8.25		\$5.45-5.60 (12%)	\$5.67-5.74	
Minneapolis	\$5.94			\$6.10 ³ / ₄ (12%)	\$7.02 ¹ / ₄ -7.07 ¹ / ₄	

Market trends this week

BARLEY – New crop feed prices range from steady to minus 50 cents, while open market malting barley prices were steady to 50 cents higher. USDA reported there were no barley export sales last week, while exports totaled 1,600 MT to Japan and South Korea.

WHEAT – New crop local wheat prices were sharply higher this week: SWW prices ranged from 5 to 50 cents higher; HRW prices ranged from 24 to 60 cents higher; and DNS prices ranged from 34 to 65 cents higher. USDA reported wheat exports sales were within trade expectations last week at 385.9 TMT, up 29% from the previous week and up 7% from the previous 4-week average. Wheat export shipments were stronger at 409 TMT, down 6% from the previous week's marketing year high but up 12% from the previous 4-week average.

Wheat Competitor/Buyer News – Strategie Grains is now pegging the EU soft wheat crop dropping below 130 MMT, the lowest since 2012. Ag and Food Canada pegged the Canadian wheat crop this week at 30.6 MMT, down from an earlier estimate of 31.1 MMT. UkrAgroConsult is pegging Ukraine's wheat crop at 24.7 MMYT, down 3.1% from their June estimate. Their exports are pegged at 15.5 MMT, down from 17.2 MMT last year. Rumors this week that the Russian government may consider limiting their wheat exports later in the season. Egypt purchased 420 TMT of wheat this week, with 240 TMT sourced from Russia, 120 TMT from Romania and 60 TMT from Ukraine. They reportedly paid the highest import prices for these shipments since 2015.

CORN – USDA reported corn export sales were within trade expectations last week at 338.5 TMT old crop and 747.5 TMT new crop (MY 18/19), down 47% from the previous week and down 42% from the previous 4-week average. Corn export shipments last week remained solid at 1.2812 MMT, down 1% from the previous week and down 10% from the previous 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported an uptick in weekly U.S. ethanol production last week - up 0.94% to 1,074,000 bbls/day – up 6.1% from last year. Ethanol stocks declined by 0.5% to 21.65 million bbls, which is

up slightly from a year ago. Weekly corn usage for ethanol remains very strong at 112.01 mbu, and above the pace needed to reach USDA's projection for MY 2017/18 which ends Aug 31. Cumulative corn usage for ethanol now totals 5.12 billion bu.

Corn Competitor/Buyer News – The Buenos Aires Grain Exchange lowered the Argentina corn crop estimate for MY 2017/18 to 31 MMT compared to USDA's estimate earlier this month of 33 MMT. Argentina's MY 2018/19 crop is forecast to be up nearly 40% based on planting intentions and improving growing conditions. The new Ukraine corn crop is expected to reach a record 27.3 MMT, up 5% from their June estimate and up nearly 11% from last year. The South African corn crop is pegged at 13.21 MMT compared to 16.82 MMT last year. Chinese corn imports totaled 520 TMT in June, up 35% from the same period a year ago. Their year-to-date corn imports total 2.21 MMT, up 200%.

Futures Market trends this week

WHEAT – Wheat prices closed mixed on Monday, with CHI soft wheat prices chopping lower on technical selling and KC and MGE wheat futures higher on support from surging European and Russian wheat futures which posted three highs this week as adverse growing conditions have reduced their yield potential. Wheat prices reversed moderately lower on Tuesday on technical selling pressures. Wheat prices surged higher on Wednesday as overseas production prospects continue to decline across parts of Europe, Black Sea and Australia. Disappointing yield projections from the annual Spring Wheat Quality Council tour through the Dakotas and Minnesota also provided support. Tour participants pegged the 2018 spring wheat average yield at only 41.1 bpa, despite the third highest crop rating since 1986. This yield projection is above last year's drought-reduced yield of 38.1 bpa but below the 5-year average yield of 45.4 bpa. Despite a bullish global wheat crop forecast from the International Grains Council today – showing world wheat crop dropping to a five year low - wheat prices finished lower today (Thursday) under profit-taking pressures. **Wheat futures contract closes on Thursday, 7/26/2018...**

	Sept 2018	Week Change	Dec 2018	Week Change	Mar 2019	Week Change
CHI SRW	\$5.36½	Up \$0.20½	\$5.56½	Up \$0.23½	\$5.72	Up \$0.23¼
KC HRW	\$5.34	Up \$0.25½	\$5.60½	Up \$0.26¾	\$5.77¾	Up \$0.26¼
MGE DNS	\$5.87¾	Up \$0.32¾	\$6.01¾	Up \$0.20½	\$6.16¾	Up \$0.28¾

CORN- Corn prices finished modestly higher to start the week in follow through buying sparked by solid export shipment data and some concerns about the rapid pollination pace (2nd fastest maturing crop on record). Corn prices sank lower on Tuesday under pressure from profit-taking and benign growing conditions marked by cooler Midwestern temperatures forecast through the first week of August. Spillover support and improving domestic and export demand boosted corn prices higher on Wednesday. Corn posted modest gains today (Thursday), reaching the best prices in six weeks on support from expectations of declining global stocks and rising European corn prices which posted the best prices in two years. **Sept 2018 contract closed on Thursday, 7/26/2018 at \$3.61½, up \$0.06¼ for the week, Dec. 2018 contract closed at \$3.75¾, up \$0.06¾ for the week and Mar. 2019 contract closed at \$3.86¼, up \$0.06¼ for week.**

CRUDE OIL – Crude oil futures began the week modestly lower under pressure from increased Saudi production for Asian customers who are positioning supplies ahead of the reinstatement of US sanctions against Iran. Reopening of Libyan oil ports and investor worries about trade disputes also added to the negative tone. However, prices steadily rose on Tuesday through Thursday on tightening US oil reserves, as the US government issued an unexpectedly steep drawdown in weekly inventories. The U.S. EIA reported weekly domestic oil stockpiles declined by 6.147 million bbls last week, compared to an expected decline of 2.3 million bbls. Distillate stocks declined by 101,000 bbls, compared to an expected increase of 207,000 bbls. Gasoline stocks fell by 2.328 million bbls, compared to an expected decline of 713,000 bbls. **Crude oil futures finished up \$1.35/bbl for the week to close at \$69.61/bbl (Sept contract).**

U.S. Crop Weather/ Crop Conditions – Hot and mostly dry conditions persisted across the PNW, with scattered showers in eastern Idaho. Temperatures are expected to moderate in the extended forecast, except for the Northern Intermountain West which is expected to remain warm and dry. The Central Plains received beneficial showers for a rapidly developing corn crop., with notable beneficial moisture across parts of NE, KS and MO, which have been adversely dry. A cold front stretched from MO into MI, ushering in cool dry air which is helping to maintain mostly favorable summer crop conditions. More than half of the country is now rated abnormally dry, including large parts of KS, MO, WI and MI. **The 6-10 day outlook** calls for below normal temperatures for the PNW, MW, Plains and Southeast and near to above normal rainfall for most of the country except for a wide swath from the Northern Intermountain West to the Mid Mississippi River Valley.

USDA Crop Progress / Condition Report, July 23, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	94% headed	90%	96%	95%	81% g/ex	85%	571
ID Barley	92% headed	89%	92%	95%	87% g/ex	90%	
US Spring Wheat	96% headed	93%	95%	93%	79% g/ex	80%	33%
ID Spring Wheat	91% headed	88%	86%	95%	78% g/ex	79%	
US Winter Wheat	80% harvested	74%	83%	79%			
ID Winter Wheat	12% harvested	5%	10%	10%	82% g/ex	82%	
Corn	81% silking	63%	63%	62%	72% g/ex	72%	62%

International Crop/Weather –

Canada – Hot dry conditions persisted across the Prairies, causing stress in spring grains in some areas.

Europe – Heat and drought stress persists across much of northern and central Europe, affecting spring grain yields, while recent moisture has improved conditions across far Eastern and Southern Europe where summer crops remain in good to excellent condition.

Black Sea – Heavy rains across Eastern Ukraine and Western Russia have eased drought and improved yield prospects for corn. Some pockets of permanent yield loss are expected in Russia. Meanwhile, conditions remain favorable for spring grains across Central Russia and Kazakhstan.

China – Widespread showers across northeastern corn areas are maintaining favorable yield prospects, while hot dry weather is stressing crops across eastern and southern regions.

Australia – Northeastern region continues to experience adverse dryness, while showers have boosted yield prospects across Southeastern and Western growing regions.

South America – Southern Brazil and Southern Argentina grain belts have received beneficial moisture for developing wheat crops.