

Idaho Grain Market Report, August 2, 2018 NEW CROP PRICES

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Aug. 1, 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		\$4.70	\$5.30	\$5.60	\$5.50
Idaho Falls		NQ	\$4.70	\$5.40	\$5.50	\$5.60
Blackfoot / Pocatello		\$7.00	\$4.70	\$5.40	\$5.50	\$5.60
Grace / Soda Springs	\$6.50		\$4.89	\$5.17	\$5.72	\$5.72
Burley/Rupert	\$6.50		\$4.89	\$4.95	\$5.34	\$5.45
Twin Falls / Buhl / Jerome / Wendell	\$5.50-6.35		\$4.65-4.90	\$5.13	\$5.65	\$5.60
Nampa / Weiser			\$4.95			
Nez Perce / Craigmont	\$5.21		\$5.15	\$6.00	\$6.21	
Lewiston	\$5.75		\$5.41	\$6.26	\$6.47	
Moscow / Genesee	\$5.24-5.45		\$5.18-5.33	\$6.03-6.18	\$6.24-6.40	\$6.18

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			\$5.80-6.06	\$6.72 ³ / ₄ -6.87 ³ / ₄	\$6.92 ³ / ₄ - 7.07 ³ / ₄	
Ogden	\$7.00		\$4.95	\$5.26	\$5.97	\$5.81
Great Falls	\$5.75-6.50	\$8.15- 8.20		\$5.48-5.81(12%)	\$5.73-5.90	
Minneapolis	\$5.94			\$6.26 ¹ / ₂ (12%)	\$6.92 ¹ / ₄ -7.21 ¹ / ₄	

Market trends this week

BARLEY – Local feed prices ranged from minus 25 cents to plus 10 cents. Open market malting barley prices were steady this week. USDA reported there were no barley export sales last week, while exports totaled 1,400 MT to Japan.

WHEAT – Local wheat prices were higher this week: SWW prices ranged from minus 10 cents to plus 34 cents (mostly higher); HRW prices ranged from 15 to 36 cents higher; and DNS prices ranged from 10 to 34 cents higher. USDA reported wheat exports sales were within trade expectations last week at 382.5 TMT, down 1% from the previous week but up 21% from the previous 4-week average. Wheat export shipments totaled 386.6 TMT, down 6% from the previous week but up 2% from the previous 4-week average. Cumulative wheat export shipments in MY 2018/19 now tally 11.4% of the USDA estimate for the year, compared to a 5-year average of 15.7%

Wheat Competitor/Buyer News – Agritel lowered their EU wheat crop estimate this week to 136.6 MMT, the lowest in 10 years. EU wheat exports are now trending 47% below the same pace a year ago, as Russia continues to dominate export tenders into key export markets in North Africa. But SovEcon lowered their new crop Russian wheat export estimate this week from 36.9 MMT to 35 MMT, due to reduced yield and quality. The Russian wheat crop has been hampered by prolonged drought during the growing and grain fill periods and late season rains. **Some analysts have lowered their Australian wheat crop estimates to below 20 MMT, down from last year's drought-reduced 21.2 MMT. Without adequate rainfall in the next few weeks the Australian wheat crop could fall as low as 13 MMT.** Rumors this week were later debunked that a Ukrainian ag ministry official had stated that Ukraine would limit milling wheat exports this year. This statement was clarified to state that the ministry would meet with exporters about available supplies as they do annually to ensure domestic needs are met. Egypt purchased 240 TMT of wheat from Russia and Romania this week. Iraq purchased 50 TMT of wheat from Australia, despite the lowest price offers coming from the U.S.

CORN – USDA reported corn export sales were within trade expectations at 292 TMT old crop and 986.1 TMT new crop (MY 18/19), down 14% from the previous week and down 36% from the previous 4-week average. Corn export shipments last week remained strong at 1.625 MMT, up 27% from the previous week and up 18% from the previous 4-week average.

Cumulative old crop corn export shipments now tally 84.5% of the USDA estimate for the MY 2017/18 year, compared to a 5-year average of 85.3%

Ethanol corn usage – DOE’s Energy Information Agency reported a downtick in weekly U.S. ethanol production last week - down 0.93% to 1,064,000 bbls/day – but up 6.2% from last year. Ethanol stocks rose by 1.5% to 21.97 million bbls, which is up 5.4% from a year ago. Weekly corn usage for ethanol remains very strong at 110.96 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 5.23 billion bu.

Corn Competitor/Buyer News – Analysts are beginning to dial in lower new crop corn production estimates for Europe and Black Sea regions as prolonged dryness and drought has taken its toll. The Eu’s corn crop was pegged at 61.5 MMT in July but recent extreme heat is lowering yield prospects. Analysts have pegged the Russian corn crop at 11-11.5 MMT, down from 13.6 MMT last year. Ukraine’s crop projection remains strong as later season precipitation has boosted yield prospects. The corn crop estimates for Brazil and Argentina in the current MY 2017/18 have been ratched down in recent months (combined crop is expected to decline by 16% to 116.5 MMT in MY 2017/18 vs. 139.5 MMT the year before. Mexico is in talks with Argentina to buy 1 MMT of corn in coming weeks.

Futures Market trends this week

WHEAT – Wheat prices surged higher on Monday, fueled by expanding crop concerns in Europe, Black Sea region and Australia. Fresh buying drive prices higher on Tuesday and Wednesday on global crop worries. Wheat prices finished higher again today (Thursday), posting three year highs in Chicago on support from a stong rally in Paris wheat futures as the European crop finishes poorly. **Wheat futures contract closes on Thursday, 8/02/2018...**

	Sept 2018	Week Change	Dec 2018	Week Change	Mar 2019	Week Change
CHI SRW	\$5.60½	Up \$0.30	\$5.82¾	Up \$0.32¾	\$6.00	Up \$0.34
KC HRW	\$5.69¼	Up \$0.36¾	\$5.96¾	Up \$0.37¼	\$6.14	Up \$0.37
MGE DNS	\$6.10½	Up \$0.18	\$6.27¾	Up \$0.21½	\$6.41¾	Up \$0.21½

CORN- Corn markets posted modest gains on Monday and Tuesday on strong export shipments, weather forecasts calling for warmer and drier conditions for the next couple weeks and declining crop prospects for Brazil, Europe and Russia. Profit-taking drove corn prices lower on Wednesday in choppy two-sided trading. Corn rebounded higher today (Thursday) on solid export sales and continuing weather uncertainties, but gains were limited by President Trump ordering his US Trade Representative to prepare for 25% tariffs on another \$200 billion worth of Chinese imports. **Sept 2018 contract closed on Thursday, 8/02/2018 at \$3.66¾, up \$0.04¾ for the week, Dec. 2018 contract closed at \$3.81¼, up \$0.05 for the week and Mar. 2019 contract closed at \$3.92¼, up \$0.05½ for week.**

CRUDE OIL – Crude oil futures chopped in both directions this week – opening the week with strong gains on heightened worldwide supply issues. Prices moved lower on Tuesday and Wednesday on news that OPEC and Russian oil output had posted 2018 highs. Saudi Arabia alone has increased their production recently by 400,000 bbls per day. Prices rocketed higher again on Thursday. The U.S. EIA reported weekly domestic oil stockpiles increased by 3.803 million bbls last week, compared to an expected decline of 2.8 million bbls. Distillate stocks increased by 2.983 million bbls, compared to an expected ncrease of 264,000 bbls. Gasoline stocks fell by 2.536 million bbls, compared to an expected decline of 1.3 million bbls. **Crude oil futures finished up \$0.27/bbl for the week to close at \$68.96/bbl (Sept contract).**

U.S. Crop Weather/ Crop Conditions – Hot and mostly dry conditions persisted across the PNW, but cooler temperatures are expected to move into the region by this weekend, accompanied by some moisture. The Plains have seen only spotty showers, stressing corn crops across the southwestern belt. The Northern Plains are hot and dry, accelerating maturation and harvest of winter and spring small grains. The Corn Belt was mostly warm and dry, maintaining mostly favorable crop conditions and good crop condition ratings. Pockets of adversely dry as well as wet conditions can be seen in some areas. Crop watchers note that one-third of the Corn Belt has been drier than normal for the past 30 days and warmer temperatures are pushing corn crop maturity which could signal a yield drag. This is underscored by a new record 38% of the crop at dough stage on July 30 and the fastest pace to advance from 50% planted to 50% silking. Drought now covers 54.4% of the U.S. **The 6-10 day outlook** calls for near to above normal temperatures for most of the country and near to below normal rainfall for the Rockies, Plains and Upper Midwest. Moisture is expected to move through the PNW and a wide band of the Corn Belt stretching from Texas to Michigan.

USDA Crop Progress / Condition Report, July 30, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	2% harvested	NA	5%	6%	80% g/ex	81%	49%
ID Barley	6% harvested	3%	2%	7%	87% g/ex	87%	
US Spring Wheat	4% harvested	NA	8%	4%	78% g/ex	79%	31%
ID Spring Wheat	1% harvested	NA	2%	5%	75% g/ex	78%	
US Winter Wheat	85% harvested	80%	87%	86%			
ID Winter Wheat	24% harvested	12%	16%	22%	78% g/ex	82%	
Corn	91% silking 38% dough	81% 18%	82% 21%	82% 20%	72% g/ex	72%	61%

International Crop/Weather –

Canada – Cooler dry conditions were prevalent across the Prairies, easing recent heat stress and fast maturing pace in spring grains in some areas.

Europe – Heat and drought stress persists across much of northern and central Europe, while the southeastern summer crop regions are enjoying beneficial showers.

Black Sea – Recent rains across Eastern Ukraine and Western and Central Russia have eased drought concerns but are now causing quality concerns, where about 25% of the wheat crop remains to be harvested.

China – Widespread showers across the key northeastern growing region and North China Plains are maintaining mostly favorable conditions for corn yields, but extreme heat in the northeast has some crop watchers concerned.

Australia – Northeastern region received limited moisture relief from very dry conditions but they experienced the lowest rainfall in the month of July since 2002 when their wheat crop was 51% below average. Southern Australia also is experiencing a moisture deficit, while the Southeastern growing region continues to receive scattered showers to maintain adequate soil moisture. By contrast, the Western growing region continues to enjoy widespread beneficial showers.

Some analysts have lowered their wheat crop estimates to below 20 MMT, down from last year's drought-reduced 21.2 MMT. Without adequate rainfall in the next few weeks the wheat crop could fall as low as 13 MMT.

South America – Southern Brazil experienced above normal temperatures which are accelerating winter wheat maturity, while cooler weather across key Argentine growing areas are maintaining mostly favorable growing conditions for winter grains.