

**Idaho Grain Market Report, August 10, 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, Aug. 8, 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	\$5.80		\$4.82	\$5.44	\$5.83	\$5.70
Idaho Falls		\$8.30	\$4.70	\$5.40	\$5.75	\$5.70
Blackfoot / Pocatello		\$7.06	\$4.70	\$5.40	\$5.75	\$5.70
Grace / Soda Springs	\$6.50		\$4.82	\$5.36	\$5.93	\$5.91
Burley/Rupert	\$5.75		\$4.70	\$5.15	\$5.57	\$5.65
Twin Falls / Buhl / Jerome / Wendell	\$5.50-6.50		\$4.72-4.97	\$5.34	\$5.94	\$5.89
Nampa / Weiser			\$5.10			
Nez Perce / Craigmont	\$5.21		\$5.30	\$6.10	\$6.33	
Lewiston	\$5.75		\$5.56	\$6.36	\$6.54	
Moscow / Genesee	\$5.24-5.45		\$5.33-5.46	\$6.13-6.28	\$6.36-6.52	\$6.28

**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			\$6.06-6.20	\$6.89¼ - 7.09¼	\$7.22¾ - 7.32¾	
Ogden	\$7.30		\$5.20	\$5.70	\$6.30	\$6.23
Great Falls	\$5.75-6.50	\$8.10- 8.15		\$5.52-5.87(12%)	\$5.97-6.14	
Minneapolis	\$5.94			\$6.54½ (12%)	\$6.92¾ - 6.97¾	

**Market trends this week**

**BARLEY** – Local feed prices ranged from minus 25 cents to plus 15 cents. Open market malting barley prices were steady to slightly higher this week. USDA reported barley export sales last week totaled 200 MT to the Philippines, and exports totaled 1,400 MT to Japan and South Korea.

**BARLEY S&D Projections Aug.10, 2018 -** USDA made only minor tweaks to the barley balance sheet this month...they increased production by 0.7 million bu to 156 million bu, based on a slightly higher average yield of 76.3 bpa, and raised ending stocks by an equivalent amount to 96 million bu. **The average farm-gate barley price projection was left unchanged this month at \$4.00-5.20/bu.**

**WHEAT** – Local wheat prices were mostly higher this week: SWW prices ranged from minus 19 cents to plus 15 cents (mostly higher); HRW prices ranged from 10 to 21 cents higher; and DNS prices ranged from 12 to 29 cents higher. USDA reported wheat exports sales were within trade expectations last week at 317.1 TMT, down 17% from the previous week but up 51% from the previous 4-week average. Cumulative wheat export sales continue to lag the pace needed to reach the USDA estimate for the marketing year, at 28.3% compared to 42.4% for a five year average. Wheat export shipments totaled 344.9 TMT, down 11% from the previous week and down 9% from the previous 4-week average.

**WHEAT S&D Projections Aug. 10, 2018 -** USDA wheat balance sheet was considered **SLIGHTLY BEARISH** by the trade. USDA cut U.S. wheat production by 4 million bu to 1.877 billion bu, compared to an average pre-report trade estimate of 1.857 billion bu. Spring wheat was pegged at 614 million bu compared to a pre-report trade estimate of 597 million bu. USDA raised domestic food use by 5 million bu to 970 million, cut feed use by 10 million bu to 120 million bu and raised exports by 50 million bu to 1,025 million bu. This resulted in a **50 million bu reduction in ending stocks to 935 million bu, BELOW the average pre-report trade estimate of 967 million bu.** The average U.S. wheat farm-gate price was raised on each end of the range to \$4.60-5.60/bu. **World wheat production was pegged at 729.6 MMT, down 4% from the previous year, based on a much smaller EU crop. World wheat ending stocks were pegged at**

**258.96 MMT, down 5% from the previous year, but ABOVE the average pre-report trade estimate of 254.5 MMT.** World wheat stocks-to-use remained unchanged from last month at 34.8%, an improvement from 36.8% in MY 2017/18.

**Wheat Competitor/Buyer News** – Strategie Grains pegged the EU soft wheat output this week at only 127.7 MMT this week, due to catastrophic yield losses across northern and central growing regions. USDA pegged the EU wheat crop at 137.5 MMT today. It was confirmed this week that the Ukrainian ag ministry has proposed 8 MMT of wheat would be available for export compared to 10 MMT last season.

**CORN** – USDA reported corn export sales were within trade expectations at 554.5 TMT old crop and 657.7 TMT new crop (MY 18/19), up 90% from the previous week and up 33% from the previous 4-week average. Cumulative new crop corn export sales are off to a slightly slower pace than last year at 13.8% compared to 14.3% for a five year average. Corn export shipments last week remained solid but are beginning to taper off as the marketing year draws to an end (August 31) at 1.429 MMT, down 12% from the previous week but up 2% from the previous 4-week average.

**CORN S&D Projections Aug. 10, 2018:** **USDA corn balance sheet was considered SLIGHTLY BEARISH by the trade. MY 2017/18 (ends Aug 31)-** Old crop ending stocks were left unchanged at 2.027 billion bu. They tightened the average old crop farm-gate price to \$3.35-3.45/bu. **MY 2018/19 (begins Sept. 1)** – New crop production was raised by 356 million bu to 14.586 billion bu, based on a higher than expected yield of 178.4 bpa compared to trade estimate of 176.3 bpa. USDA increased domestic feed use was increased by 100 million bu to 5.525 billion bu and exports were increased by 125 million bu to 2.350 billion bu. This resulted in a **132 million increase in new crop ending stocks to 1.684 billion bu. This was ABOVE the average pre-report trade estimate of 1.636 billion bu. World corn production was pegged at 1,061 MMT, up 2.7% from the previous year, while world corn ending stocks were pegged at 155.49 MMT, down 20% from the previous year and ABOVE the average pre-report trade estimate of 151.6 MMT. World corn stocks-to-use were pegged at 14.1%, down from 18.1% 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 an impressive uptick in weekly U.S. ethanol production last week – posting the 2<sup>nd</sup> highest weekly ethanol grind ever, up 3.4% to 1.10 million bbls/day – which is up nearly 9% from last year. Ethanol stocks also rose 4.35% to 22.92 million bbls, which is up 7.4% from a year ago. Weekly corn usage for ethanol remains very strong at 114.7 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 5.35 billion bu.

**Corn Competitor/Buyer News** – USDA left their Argentine corn production unchanged this month at 33 MMT, which is above the average trade estimate of 32.4 MMT. USDA cut their Brazilian crop estimate by 0.5 MMT to 83.0 MMT, which is still above the average trade estimate of 82.5 MMT. Brazilian corn exports have been revised lower to 20 MMT (USDA 23 MMT) compared to 30 MMT last season. There also are reports of Brazilian livestock feeders seeking offers to import Argentine corn. French corn production is expected to fall by as much 10% due to severe heat and dryness. South Korean feed millers bought 67 TMT of corn this week. China has reportedly sold nearly 60 MMT of corn reserves since the beginning of April.

**Futures Market trends this week**

**WHEAT** – Wheat prices surged higher again on Monday, fueled by intensifying global crop concerns, focused on the Europe and Canada, with emerging crop concerns in Australia and India. Tuesday saw a reversal lower under profit-taking pressures and technical chart consolidation ahead of Friday's monthly S&D report. Wheat prices finished moderately lower on Thursday under profit-taking pressures. **Wheat futures contract closes on Thursday, 8/09/2018...**

	<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	\$5.64½	Up \$0.08¼	\$5.86½	Up \$0.06½	\$6.07	Up \$0.07¾
KC HRW	\$5.78½	Up \$0.11¼	\$6.04¼	Up \$0.09	\$6.24¼	Up \$0.11
MGE DNS	\$6.29¾	Up \$0.17	\$6.47	Up \$0.17¼	\$6.57½	Up \$0.13¼

**CORN-** Corn markets posted modestly gains to start the week on spillover support from wheat and ideas that global course grain supplies will likely fall to the lowest level since 1974. But gains were limited by spillover pressure from weaker soybeans which continue to struggle under escalating trade tensions with China. Corn traded fractionally lower on Tuesday on a lack of fresh supportive news and a nonthreatening weather forecast. Two-sided trading pushed corn prices fractionally higher on Wednesday in mostly position-squaring ahead of Friday's key monthly production report. Corn prices finished modestly lower on Thursday under profit-taking pressures. **Sept 2018 contract closed on Thursday, 8/09/2018 at \$3.69¼, down \$0.00½ for the week, Dec. 2018 contract closed at \$3.82¾, down \$0.01½ for the week and Mar. 2019 contract closed at \$3.94, down \$0.01½ for week.**

**CRUDE OIL** – Crude oil futures chopped in both directions this week but fell sharply on Wednesday under pressure from the U.S. – China trade war as China announced it would impose retaliatory tariffs against U.S. crude oil import. The U.S. EIA reported weekly domestic oil stockpiles fell by 1.351 million bbls last week, compared to an expected decline of 3.4 million bbls. Distillate stocks increased by 1.23 million bbls, and gasoline stocks increased by 2.9 million bbls, compared to an expected decline of 1.43 million bbls. **Crude oil futures finished down \$1.52/bbl for the week to close at \$66.81/bbl (Sept contract).**

**U.S. Crop Weather/ Crop Conditions** – Scorching heat and dry conditions prevailed across the PNW this week, rapidly pushing small grain maturation and harvest. Hot and dry conditions also persisted across the Northern Plains while a wide band of showers stretched from Texas into the Eastern Corn Belt. The northern and western Corn Belts remain dry. Corn is experiencing the 2<sup>nd</sup> fastest corn maturity ever, with the dough stage reported at 57% at the beginning of this week compared to a 5-year average of 37%. **The 6-10 day outlook** calls for near to above normal temperatures for most of the country and below normal rainfall from the Northern Rockies into the Upper Midwest.

**USDA Crop Progress / Condition Report, August 6, 2018**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	16% harvested	2%	22%	18%	79% g/ex	80%	45%
<b>ID Barley</b>	<b>15% harvested</b>	<b>6%</b>	<b>17%</b>	<b>20%</b>	<b>89% g/ex</b>	<b>87%</b>	
US Spring Wheat	13% harvested	4%	22%	14%	74% g/ex	78%	32%
<b>ID Spring Wheat</b>	<b>6% harvested</b>	<b>1%</b>	<b>11%</b>	<b>18%</b>	<b>78% g/ex</b>	<b>75%</b>	
US Winter Wheat	90% harvested	85%	93%	92%			
<b>ID Winter Wheat</b>	<b>48% harvested</b>	<b>24%</b>	<b>47%</b>	<b>49%</b>	<b>83% g/ex</b>	<b>78%</b>	
Corn	96% silking	91%	92%	92%	71% g/ex	72%	60%
	57% dough	38%	39%	37%			
	12% dented	NA	6%	6%			

**International Crop/Weather –**

**Canada** – Hot and dry conditions prevailed, pushing maturity of spring grains.

**Europe** – Heat and drought stress persisted across much of northern and central Europe, but conditions are expected to improve in the near term.

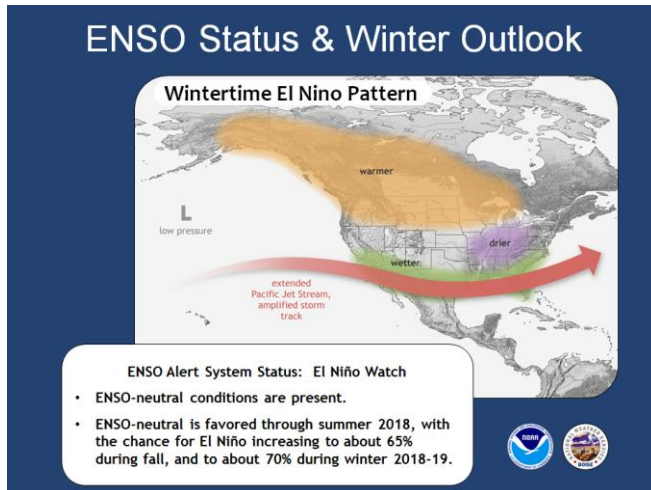
**Black Sea** – Sunny warm conditions benefitted filling corn across Ukraine and Western Russia. Cool showery conditions benefitted spring gains across Central Russia and Kazakhstan.

**China** – Northeastern showers continued to benefit the corn crop.

**Australia** – Recent soaking showers across Southern and Western Australia have boosted soil moisture for over-wintering grains, but New South Wales remained adversely dry. South Australia was expected to receive beneficial rain again this week while other key production areas remain mostly dry.

**South America** – Southern Brazil's winter wheat crop benefited from heavy rains while Argentina experienced cool showery conditions.

**El Nino Watch / Winter 2018-19 Impacts** – NOAA's Climate Prediction Center revised their El Nino forecast this week to a likely 70% onset by winter 2018-19, noting that sea surface temperatures are currently warming across the central and eastern equatorial Pacific Ocean. We asked Troy Lindquist, Senior Service Hydrologist with the National Weather Service Boise office what that might mean for Idaho. "Based on the latest CPC forecast, we can likely expect drier than average and warmer than average conditions across the Pacific Northwest and Northern Rockies this winter. That means more snow anomalies and less overall snow accumulation with spring runoffs below normal volumes." Below is the most current Bureau of Reclamation tea-cup diagram showing current Upper Snake River Basin reservoir storage conditions, with current water levels ranging from 49% full at American Falls to 80% full at Milner and 82% full at Palisades.



08/09/2018

