

Idaho Grain Market Report, Aug. 17, 2017

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New CROP prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Aug. 16, 2017. 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 | \$5.00-5.25 | | \$3.35-3.60 | \$3.94 | \$6.40 | \$4.20-4.30 |
| Idaho Falls | | \$8.30 -9.06 | \$3.40 | \$3.80 | \$6.15 | \$4.20 |
| Blackfoot / Pocatello | | \$6.50 | \$3.40 | \$3.80 | \$6.15 | \$4.20 |
| Grace / Soda Springs | \$6.15 | | \$3.53 | \$3.55 | \$6.33 | \$4.30 |
| Burley / Rupert | \$5.50 | | \$3.55 | \$3.39 | \$6.30 | \$4.26 |
| Hazelton | | | | | | |
| Twin Falls / Buhl / Jerome / Wendell | \$5.90-6.00 | | \$3.30-3.65 | \$3.55 | \$6.35 | \$4.45 |
| Nampa / Weiser | \$5.50 | | \$4.10 | | | |
| Nez Perce / Craigmont | \$4.50 | | \$4.21 | \$4.30 | \$7.04 | |
| Lewiston | \$5.00 | | \$4.47 | \$4.56 | \$7.30 | |
| Moscow / Genesee | \$4.75 | | \$4.24-4.38 | \$4.33-4.47 | \$7.07-7.21 | \$4.47 |

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 | | | Aug \$4.94¼ - 5.25 Sept \$4.99¼ - 5.25 | \$4.84½ - 5.19½ \$5.04½ - 5.24½ | \$7.53½ - 7.83½ \$7.63½ - 7.83½ | |
| Los Angeles | \$9.00-9.25 | | | | | |
| Tulare | \$9.00-9.25 | | | | | |
| Ogden | \$6.50 | | \$4.00 | \$4.17 | \$7.07 | \$5.01 |
| Great Falls | \$4.50-5.00 | \$7.25 | | \$3.89-4.33 (12%) | \$6.68-6.75 | |
| Minneapolis | \$4.37 | | | \$4.49½ (12%) | \$7.58½ | |

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 15 cents lower, but were mostly steady. Open market barley prices remained steady this week. USDA reported there were no barley export sales last week, while exports totaled 500 MT to Japan.

WHEAT – Local wheat prices were lower this week: SWW prices ranged from 10 to 45 cents lower; HRW prices ranged from 26 to 52 cents lower; and DNS prices ranged from 46 to 65 cents lower. USDA reported export sales were within trade expectations at 633.6 TMT, up 37% from last week and up 43% from the previous 4-week average. Wheat export shipments remained strong at 545.9 TMT, down 4% from the previous week but unchanged from the previous 4-week average.

Wheat Competitor / Buyer News – Russian wheat production estimates continue to climb with IKAR pegging their crop at 77-80 MMT, SovEcon at 77.9 MMT and USDA at 77.5 MMT. Russia's new crop wheat exports are off to a strong start, totaling more than 2.41 MMT since July 1 and up 3% from the previous year. India revised their 2016/17 wheat crop to a record high of 98.38 MMT, compared to an earlier estimate of 97.4 MMT. Egypt purchased 355 TMT of wheat this week, with five cargoes supplied by Russia and one cargo by Ukraine. Tunisia purchased 100 TMT of optional origin wheat this week, while Jordan cancelled their tender for 100 TMT.

CORN – USDA reported corn export sales last week were within trade expectations - old crop export sales totaled 62.4 TMT and new crop sales improved from last week to 671.8 TMT. Corn export shipments have slowed in recent weeks to

698.5 TMT, down 28% from the previous week and down 30% from the 4-week average, but are still on pace to exceed USDA's estimate for MY 2016/17 which ends August 31.

Ethanol corn usage – DOE's Energy Information Agency reported an impressive uptick in U.S. ethanol production last week – up 47,000 bbls or 4.6% to 1,059,000 bbls per day, which is up nearly 3% from a year ago. Ethanol stocks increased by 2.3% last week to 21.83 million bbls, nearly 7% above a year ago. Weekly corn usage for ethanol remains strong at 111.2 million bu and cumulative use at 5.2 billion bu.

Corn Competitor / Buyer News – The Buenos Aires Grain Exchange is projecting Argentina's corn area will expand 5-10% this year to a record high 5.4 million hectares based on favorable planting conditions and good returns. Rumors this week that a vessel of Brazilian corn is headed to Wilmington NC port. USDA FAS is now estimating China's corn crop at 210 MMT, compared to their recent estimate of 215 MMT and last year's 219.6 MMT.

Futures Market trends this week

WHEAT – Wheat markets closed mixed on Monday with Chicago modestly higher on short covering. Spring wheat finished lower in continued long liquidation which was sparked by recent rains across the Northern Plains. Prices fell double digits on Tuesday, under pressure from a surging dollar, lower European wheat futures and ideas that world wheat stocks will post another record despite earlier estimates of lower carryover this year. Wheat continued to grind mostly lower on Wednesday, with CHI and KC markets posting fresh contract lower. By contrast, spring wheat prices rebounded higher on harvest rain concerns in the Dakotas. Wheat finished lower today (Thursday) on spillover pressure. **Wheat futures contract closes on Thursday, 8/17/2017...**

| | Sept 2017 | Weekly Summary | Dec 2017 | Weekly Summary | Mar 2018 | Weekly Summary |
|---------|------------------------------------|---|------------------------------------|---|------------------------------------|---|
| CHI SRW | \$4.14 | Down \$0.25 ¹ / ₄ | \$4.40 ³ / ₄ | Down \$0.26 ¹ / ₄ | \$4.63 ³ / ₄ | Down \$0.25 |
| KC HRW | \$4.14 ¹ / ₄ | Down \$0.27 | \$4.42 | Down \$0.27 ¹ / ₄ | \$4.60 ¹ / ₂ | Down \$0.26 ³ / ₄ |
| MGE DNS | \$6.70 ¹ / ₄ | Down \$0.03 ³ / ₄ | \$6.84 ¹ / ₄ | Down \$0.04 | \$6.84 ¹ / ₂ | Down \$0.05 ³ / ₄ |

CORN – Corn posted a modest reversal higher on Monday as traders widely dispute last Thursday's USDA yield and production estimates. Prices fell sharply on Tuesday to close at an 11 month low under pressure from nonthreatening weather and a stronger dollar. Wednesday saw an early rally attempt fizzle on technical weakness. Corn finished modestly lower today (Thursday) in the face of nonthreatening weather and increased old crop sales. **Corn futures contract closes on Thursday, 8/17/2017... Sept. 2017 contract at \$3.50¹/₂, down \$0.10¹/₄ for the week, Dec. 2017 contract closed at \$3.64¹/₄, down \$0.10¹/₂ for the week and Mar. 2018 contract closed at \$3.76¹/₄, down \$0.10¹/₄ for the week.**

CRUDE OIL – Crude oil futures chopped lower this week to a three week low on pressure from rising U.S. and Libyan crude oil production which is outweighing support from a much larger than expected weekly decline in domestic stockpiles, which have now fallen almost 13% from peaks in March and are the lowest level since mid-2016. As noted, the DOE EIA reported a hefty drawdown in weekly U.S. crude inventory decline, the 7th consecutive weekly decline – down 8.945 million bbls, compared to an expected drop of 3.1 million bbls. Distillate stocks increased by 702,000 bbls, while gasoline stocks increased by 22,000 bbls, compared to an expected decline of 1.1 million bbls. **Crude oil futures finished down \$1.73/bbl for the week to close at \$48.59/bbl.**

Crop / Weather Conditions –

U.S. – PNW and Intermountain West regions saw mostly mild and dry conditions with temperatures warming to above normal into the weekend. The extended outlook shows warm and dry conditions. The Dakotas saw rains this week which eased pasture conditions but caused spring grain harvest delays and quality concerns. The Central and Southern Plains received beneficial showers to recharge soil moisture ahead of fall planting. The Corn Belt saw warming temps and good showers across the dry WCB. The 6-10 day outlook calls for above normal temps for much of country and above normal rainfall across the Corn Belt.

USDA Crop Progress / Condition Report, Aug. 14, 2017

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|-----------------|----------------------|---------------|---------------|----------------|-----------------------------------|---------------|---------------|
| US Barley | 52% harvested | 25% | 52% | 40% | 49% | 45% | 72% |
| ID Barley | 47% harvested | 19% | 53% | 41% | 80% | 75% | 77% |
| US Spring Wheat | 40% harvested | 24% | 45% | 35% | 33% | 32% | 68% |

| | | | | | | | |
|------------------------|-------------------------|------------|------------|------------|------------|------------|------------|
| ID Spring Wheat | 33% harvested | 12% | 55% | 36% | 56% | 53% | 74% |
| US Winter Wheat | 97% harvested | 94% | 97% | 96% | | | |
| ID Winter Wheat | 84% harvested | 52% | 70% | 69% | 60% | 62% | |
| Corn | 61% dough 16% dented | 42% 7% | 70% 19% | 62% 20% | 62% | 60% | 74% |

International

Canada – Unseasonable warmth and dryness hasten spring grain maturity.

EU – Lingering heat across the southeastern region continues to stress filling summer crops, while widespread rains across the northern and central regions have slowed winter grain harvest but are benefitting summer crops.

Black Sea region – Hot weather is rapidly advancing small grain crop maturity across Russia but crop conditions remain favorable. Wheat yields are better than expected.

China – Corn crop yields have been stabilized by recent rains, but traders expect a smaller corn crop.

South America – Southwestern Brazilian crop areas expected to see good chances of rainfall this week where corn is being planted.

Australia – Western growing region benefitted from good weekend rains which lingered into this week.