Idaho Grain Market Report, August 17, 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, Aug. 15, 2018. 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	$6.00		$4.50	$5.00	$5.45	$5.35
Idaho Falls		$8.30-8.33	$4.30	$4.90	$5.25	$5.20
Blackfoot / Pocatello		$7.06	$4.30	$4.90	$5.25	$5.20
Grace / Soda Springs	$6.50		$4.45	$4.90	$5.51	$5.45
Burley/Rupert	$5.75		$4.52	$4.66	$5.10	$5.16
Twin Falls / Buhl / Jerome / Wendell	$5.50-6.50		$4.50-4.65	$4.98	$5.45	$5.53
Nampa / Weiser			$5.05			
Nez Perce / Craigmont	$5.46		$5.25	$5.68	$5.95	
Lewiston	$5.98		$5.51	$5.94	$6.21	
Moscow / Genesee	$5.43-5.49		$5.28-5.40	$5.71-5.75	$5.98-6.03	$5.75

Prices at Selected Terminal Markets, cash prices FOB on Wednesday August 15, 2018

	#2 Feed 46 lbs. --	Malting	#1 SWW Ord pro -	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			$6.15-6.20	NA	NA	
Ogden	$7.00		$4.86	$5.31	$5.90	$5.86
Great Falls	$5.75-6.50	$8.10-8.15		$5.13-5.35(12%)	$5.49-5.62	
Minneapolis	$2.85			$605.25 (12%)	$6.58.75	

Market trends this week

BARLEY – Local feed prices remained steady to plus 20 cents this week, and open market malting barley prices were unchanged to plus 3 cents this week. USDA reported reported no barley export sales last week. The American Malt Barley Association (AMBA) estimes barley production in the US to be 3.4mmt this year compared to 3.1mmt last year and 4.4mmt in 2016. Spring barley harvest is underway and yields are average to slightly above.

Barley Competitor/Buyer News –Strategie Grains reported EU barley exports decreased by 1.6mmt this month from last month's estimate to 6.1mmt and production estimates have gone from 59.6mmt last month to 57.1mmt this month. Harvest has started in Canada where hot and dry weather should help with a smooth harvest, however dry weather through June and July will put pressure on yields and quality. Australia has received good rainfall over much, but not all of their cropping areas, overall helping this year's crop.

WHEAT – Local wheat prices were lower for every type at every elevator across the state this week. SWW prices ranged from minus 5 to 40 cents; HRW prices ranged from 40 cents to $1.09 lower; DNS prices ranged from 15 to 49 cents lower; and HWW prices came in at 35 to 50 cents lower. USDA reported wheat export sales were up noticeably from the previous seek and from the prior 4-week average. Increases were reported for Mexico the Philippines, Nigeria, Japan and Thailand. Exports of 461,600 MT – a marketing-year high – were up 34 percent from the previous week and 17 percent from the prior 4-week average. The destinations were primarily to Mexico (101,300 MT), Japan (84,100 MT), the Phillipines (65,900 MT), South Korea (55,200 MT), and Iraq (52,500 MT).

Wheat Competitor/Buyer News – Wheat prices are expected to stay under pressure in 2018, hit by fierce competition among top exporters and oversupply with the US Department of Agriculture's latest report increasing its estimate for 2017-18 global wheat production to 755m metric tonnes—a new record high. According to the report, 2018 would be the fifth consecutive year of increased global wheat production with the major producers who include Russia, Canada, Ukraine, France, and the United States. Canadian competition expected from increased exportable supplies will put pressure on U.S. markets in Latin America and East Asia. Global 2017/18 wheat supplies are increased, primarily on higher production forecasts for Canada and the European Union, more than offsetting production declines in Brazil, South Africa, and Yemen. Canadian wheat production has risen 3.0 million tonnes to 30.0 million, largely on increased yields in the Prairie Provinces as reported in Statistics Canada's Production of Principal Field Crops report. EU wheat production is expected to increase from 1.0 million tonnes to 152.5 million, mainly on higher production in Romania, Poland, Latvia, and Bulgaria.

CORN – USDA reported net export sales of 339,000 MT for corn were down 39 percent from the prevous week and 26 percent from the prior 4-week average. However, some increases were reported for Japan, Columbia, Mexico, Peru and El Salvador.

Ethanol corn usage – DOE's Energy Information Agency reported ethanol production for the week ending August 10 averaged 1.072 million bbls/day – down 2.55% over the previous week and 1.23% over last year. Ethanol stocks were 23.017 million bbls on August 10, up .41% over last week and up 5.45% over last year. An estimated 111.8 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 5.46 billion bu.

Corn Competitor/Buyer News – Last week's USDA WASDE report outlook was for larger U.S. corn supplies and exports. This will be helped by the expected lowered production in the EU – mostly reductions for France and Germany, as well as expected lower production from Brazil, our major competitor, and others.

Futures Market trends this week

WHEAT – Friday's USDA WASDE report was not overly bearish for the wheat market, but the market saw some corrective action this week. By Thursday though wheat markets were getting spillover support from news that the U.S. and China have resumed negoitiations, even if the talks are restarting at low levels. Wheat futures contract prices finished 22-52 cents lower for the week across the board even with more positive trends today. **Wheat futures contract closes on Thursday, 8/16/2018**

	Sept 2018	Week Change	Dec 2018	Week Change	Mar 2019	Week Change
CHI SRW	**$5.42¼**	**Down $0.22¼**	**$5.62**	**Down $0.24½**	**$5.54¾**	**Down $0.52¼**
KC HRW	**$5.47½**	**Down $0.31**	**$5.75**	**Down $0.29¼**	**$5.99**	**Down $0.25¼**
MGE DNS	**$5.96¼**	**Down $0.33½**	**$6.13¼**	**Down $0.33¾**	**$6.28¼**	**Down $0.29¼**

CORN- Corn markets started the week trading down and stayed there. Outside market forces are negative with a slightly higher U.S. dollar and lower crude oil and metals.Corn markets also suffered after Friday's USDA WASDE report, although there were significant gains today upon news of the U.S. and China restarting trade talks which has supported corn prices. Still, overall corn prices finished lower on Thursday compared to last week. **Sept 2018 contract closed on Thursday, 8/16/2018 at $3.65¼, down $0.04 for the week, Dec. 2018 contract closed at $3.79¾, down $0.03 for the week and Mar. 2019 contract closed at $3.91¼, down $0.02¾ for the week.**

CRUDE OIL – Crude oil markets were relatively quiet Thursday, August 16 after struggling most of the week. After starting the week at $67.20/bbl for September futures, then falling to a low of $65.10/bbl on Wednesday, the price settled up slightly today. The possibility of lower demand due to a global economic slowdown caused by trade disputes, and rising interest rates, along with an increase in oil stockpiles have contributed to the price drop. The U.S. EIA reported weekly domestic oil stockpiles increased by 6.805 million bbls last week for a total of 414.19 million barrels. Distillate stocks increased by 3.566 million bbls to a total of 128.99 million bbls, while gasoline stocks decreased by .74 million bbls to 233.13 million bbls. **Crude oil futures finished down $1.74/bbl for the week to close at $65.46/bbl (Sept contract).**

USDA Crop Progress / Condition Report, August 13, 2018

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	41% harvested	16%	48%	38%	81% g/ex	79%	49%
ID Barley	**15% harvested**	**6%**	**17%**	**20%**	**93% g/ex**	**89%**	
US Spring Wheat	35% harvested	13%	38%	27%	75% g/ex	74%	33%
ID Spring Wheat	**24% harvested**	**6%**	**30%**	**34%**	**79% g/ex**	**78%**	
US Winter Wheat	94% harvested	90%	97%	96%			
ID Winter Wheat	**70% harvested**	**48%**	**47%**	**79%**			
Corn	73% dough 26% dented	57% 12%	58% 15%	56% 13%	70% g/ex	71%	62%

U.S. Crop Weather/ Crop Conditions – Late-summer heat will continue in much of the West and briefly spread eastward across the nation's northern tier. During the weekend, however, cool weather will return to the Plains and parts of neighboring regions. Meanwhile, several slow-moving disturbances will maintain showery conditions across large parts of the central and eastern U.S. Five-day rainfall totals could reach 1 to 4 inches or more across the Plains, Midwest, and South. Some of the highest totals can be expected across the interior Southeast. In contrast, mostly dry weather will persist in the Pacific Coast States. The National Weather Service 6- to 10-day outlook for August 21 – 25 calls for the likelihood of below-normal temperatures across the Plains, mid-South, and Midwest, while hotter-than-normal weather will prevail in the Far West and along the Atlantic and Gulf Coasts. Meanwhile, near- to above-normal rainfall nearly nationwide should contrast with drier-than-normal conditions in southern Florida and from the Pacific Northwest into the upper Midwest.

International Crop/Weather – From USDA Weekly Weather and Crop Bulletin (August 14, 2018)
EUROPE: Much-needed rain eased drought in northern Europe, while sunny skies were beneficial for reproductive to filling summer crops over southern portions of the continent.
WESTERN FSU: Mostly sunny, warm weather promoted the development of reproductive to filling summer crops.
EASTERN FSU: The return of showers maintained good to excellent prospects for reproductive to filling spring grains in the north, while seasonably sunny weather accelerated the development of open-boll cotton in southern crop areas.
MIDDLE EAST: Seasonably sunny skies favored filling to maturing summer crops over much of Turkey.
SOUTH ASIA: Rainfall returned to central India, improving moisture conditions for summer (kharif) crops, but dryness persisted in the west.
EASTERN ASIA: Showers maintained or improved soil moisture for reproductive corn and soybeans in northeastern China, but hot, dry weather stressed summer crops farther south.
SOUTHEAST ASIA: Heavy showers caused more localized flooding in the northwestern Philippines, while more seasonable amounts benefited rice elsewhere in the region.
AUSTRALIA: Rain continued to benefit winter crops in the west and south, while drought maintained its grip on the northeast.
ARGENTINA: Conditions favored overwintering grains in central Argentina.
BRAZIL: Favorable rain lingered across southern wheat areas.
MEXICO: Timely showers benefited corn and other rain-fed summer crops on the southern plateau.
CANADIAN PRAIRIES: Heat and dryness hastened maturation of spring grains and oilseeds.
SOUTHEASTERN CANADA: Warm, showery weather maintained overall favorable conditions for summer crops and pastures.