

Idaho Grain Market Report, Sept. 7, 2017

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New CROP prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Sept. 6, 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 | \$5.50 | | \$3.56 | \$4.35 | \$6.10 | \$4.50 |
| Idaho Falls | | \$8.30 -9.06 | \$3.55 | \$4.25 | \$5.65 | \$4.45 |
| Blackfoot / Pocatello | | \$6.50 | \$3.55 | \$4.25 | \$5.65 | \$4.45 |
| Grace / Soda Springs | \$6.00 | | \$3.71 | \$3.62 | \$5.78 | \$4.32 |
| Burley / Rupert | \$5.50 | | \$3.70 | \$3.66 | \$5.86 | \$4.36 |
| Hazelton | | | | | | |
| Twin Falls / Buhl / Jerome / Wendell | \$5.65-5.75 | | \$3.31-3.65 | | | |
| Nampa / Weiser | \$6.00 | | \$4.00 | | | |
| Nez Perce / Craigmont | \$4.50 | | \$4.39 | \$4.69 | \$6.80 | |
| Lewiston | \$5.00 | | \$4.65 | \$4.95 | \$7.06 | |
| Moscow / Genesee | \$4.75 | | \$4.42-4.58 | \$4.72-4.91 | \$6.83-7.02 | \$4.91 |

Prices at Selected Terminal Markets, cash prices FOB

| | #2 Feed 46 lbs. -- | Malting | #1 SWW Ord pro - Sept \$4.90 - 5.20 | #1 HRW 11.5% Protein | #1 DNS 14% Protein | #1 HWW |
|-------------|-------------------------------|-----------------|--|---------------------------------|-------------------------------|---------------|
| Portland | | | | \$5.23¾ - 5.68¾ | \$7.34½ - 7.54½ | |
| Los Angeles | \$9.00-9.25 | | | | | |
| Tulare | \$9.00-9.25 | | | | | |
| Ogden | \$6.20 | | \$3.96 | \$3.82 | \$6.05 | \$4.75 |
| Great Falls | \$4.50-5.00 | \$7.00- 7.25 | | \$4.28-4.45(12%) | \$6.32-6.39 | |
| Minneapolis | \$4.37 | | | \$4.78¾ (12%) | \$7.19½ - 7.51½ | |

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 25 cents higher. Open market barley prices remained steady this week. USDA will release their weekly export sales report on Friday due to the Labor Day holiday.

Barley Competitor / Buyer News – Stats Canada pegged Canadian barley stocks at 2.122 MMT, up 47% from last year.

WHEAT – Local wheat prices were mixed but mostly higher this week: SWW prices ranged from 10 to 27 cents higher; HRW prices ranged from 21 to 43 cents higher; and DNS prices ranged from minus 26 cents to plus 9 cents. USDA will report export sales on Friday. Wheat export shipments were well below trade expectations at 242.47 TMT, down 63% from the previous week. Cumulative wheat exports now tally 29% of the USDA estimate for the year, compared to a five year average of 28.5%.

Wheat Competitor / Buyer News – Stats Canada pegged Canadian wheat stocks at 6.865 MMT, above trade estimates and 33% above the previous year. IKAR is now estimating the Russian wheat crop at least 2 MMT higher at 81-84 MMT, compared to their previous estimate of 79-82 MMT. Russian wheat exports are now pegged at least 1 MMT higher at 32-33 MMT. The German wheat crop (EU's second largest wheat crop) is pegged at 24 MMT and exports at only 2.5 MMT, the lowest level since 2012, with lower overall quality. The Buenos Aires Grain Exchange estimates Argentine wheat plantings at 5.35 million hectares, but indicate that at least 34% of the newly sown area is suffering from excessive moisture.

CORN – USDA will report export sales on Friday. Corn export shipments for the final week of MY 2016/17 totaled 797.56 TMT, down slightly from the previous week. Cumulative corn exports have reached 100.7% of the USDA estimate for MY 2016/17, compared to a five year average of 97.4%.

Ethanol corn usage – DOE's Energy Information Agency reported an uptick in U.S. ethanol production last week – up 18,000 bbls or 1.73% to 1,060,000 bbls per day, which is up 6.2% from a year ago. Ethanol stocks continued to decline about 0.88% last week to 21.11 million bbls, which are 2.24% above a year ago. As MY 2016/17 comes to a close, corn usage for ethanol remains strong at 111.3 million bu.

Corn Competitor / Buyer News – AgroConsult is projecting Brazilian corn output at 95.2 MMT, down 5% from MY 16/17 record crop of 98.5 MMT. Argentine corn plantings are estimated at 6.3 million ha, almost 9% above the previous year. Ukraine's corn crop is now estimated at 26 MMT, compared to 26.2 MMT the previous year. Vietnam has agreed to eliminate their ban on DDGs imports from the U.S.

Futures Market trends this week

WHEAT – Wheat markets extended their rebound this week on modest short covering. Wheat finished mixed to lower today (Thursday) with spring wheat extending Wednesday's strong gains. **Wheat futures contract closes on Thursday, 9/07/2017**

| | Dec 2017 | Week Change | Mar 2018 | Week Change | May 2018 | Week Change |
|---------|------------------------------------|---|------------------------------------|---|------------------------------------|---------------------------------------|
| CHI SRW | \$4.37 ¹ / ₄ | Down \$0.01 ¹ / ₂ | \$4.58 ³ / ₄ | Down \$0.01 ¹ / ₄ | \$4.72 | Down \$0.01 |
| KC HRW | \$4.41 ³ / ₄ | Up \$0.03 | \$4.59 ¹ / ₄ | Up \$0.03 | \$4.73 | Up \$0.03 |
| MGE DNS | \$6.49 ³ / ₄ | Up \$0.18 | \$6.59 ¹ / ₄ | Up \$0.16 ¹ / ₄ | \$6.56 ¹ / ₄ | Up \$0.14 ³ / ₄ |

CORN – Corn markets moved modestly higher this week in anticipation of a lower corn yield estimate in next Tuesday's monthly crop production report. The average pre-report corn yield estimate is 167.9 bpa and ending stocks of 1.787 billion bu, compared to USDA's August estimate of 169.5 bpa and ending stocks of 2.273 billion bu. Corn markets eased lower today (Thursday) under pressure from technical selling. **Corn futures contract closes on Thursday, 9/07/2017** ...**Dec. 2017 contract at \$3.55¹/₄, unchanged for the week, Mar. 2018 contract closed at \$3.67³/₄, unchanged for the week and May 2018 contract closed at \$3.75¹/₂, up \$0.00¹/₄ for the week.**

CRUDE OIL – Crude oil futures chopped higher his week, with demand boosted by refinery capacity coming back on line in the Texas Gulf Coast. DOE EIA reported the first weekly build in crude oil stocks in 10 weeks – up 4.58 million bbls, compared to an expected build of 4.022 million bbls. Distillate stocks decreased by 1.396 million bbls, compared to an expected decline of 3.063 million bbls and gasoline stocks decreased by 3.199 million bbls, compared to an expected decline of 5.0 million bbls. **Crude oil futures finished up \$1.80/bbl for the week to close at \$49.09/bbl.**

U.S. Crop / Weather Conditions – Hot, dry and smoky conditions prevailed across the PNW to the Northern Rockies, with showery conditions expected to move into this region later this week. The Corn Belt continued to see mostly dry and cool conditions, with widely scattered frost in parts of NE mid week. The 6-10 day outlook calls for warm and wetter than normal across the PNW and NW Corn Belt, and normal temperatures and dry conditions across the Midwest.

USDA Crop Progress / Condition Report, Sept. 5, 2017

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|------------------------|--------------------------|---------------|---------------|----------------|-----------------------------------|---------------|---------------|
| US Barley | 92% harvested | 83% | 90% | 84% | | | |
| ID Barley | 90% harvested | 74% | 88% | 86% | | | |
| US Spring Wheat | 89% harvested | 76% | 90% | 78% | | | |
| ID Spring Wheat | 88% harvested | 68% | 81% | 83% | | | |
| ID Winter Wheat | 98% harvested | 95% | 95% | 96% | | | |
| Corn | 60% dented 12% mature | 44% 6% | 74% 17% | 68% 18% | 61% | 62% | 74% |

International

Canada – Unseasonable warmth and dryness hastened spring grain maturity and harvest.

EU – Conditions have turned drier in England and Germany, allowing grain harvest to resume. Much need rain has fallen across Spain and Italy, improving conditions for winter grain planting.

Black Sea region – Central Russia continues to see sunny warm conditions during spring grain fill and maturation.

South America – Brazil was mostly dry, while about a third of Argentine's wheat areas has received excessive moisture.