

Idaho Grain Market Report, Sept. 14, 2017

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

New CROP prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Sept. 13, 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	\$5.00-5.50		\$3.58-3.70	\$4.29	\$6.00	\$4.54-4.80
Idaho Falls		\$8.30 -9.06	\$3.50	\$4.30	\$5.65	\$4.40
Blackfoot / Pocatello		\$6.50	\$3.50	\$4.30	\$5.65	\$4.40
Grace / Soda Springs	\$6.00		\$3.73	\$3.86	\$6.05	\$4.41
Burley / Rupert	\$5.50		\$3.78	\$3.60	\$5.85	\$4.34
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.75-5.85		\$3.60-3.70	\$3.85	\$6.05	\$4.50
Nampa / Weiser	\$5.25		\$4.02			
Nez Perce / Craigmont	\$4.75		\$4.41	\$4.66	\$6.79	
Lewiston	\$5.25		\$4.67	\$4.92	\$7.05	
Moscow / Genesee	\$4.75		\$4.44-4.58	\$4.69-4.89	\$6.82-7.01	\$4.89

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. --	Malting	#1 SWW Ord pro - Sept \$5.10 - 5.32	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland				\$5.34¼ - 5.74¼	\$7.33½ - 7.53½	
Los Angeles	\$9.00-9.25					
Tulare	\$9.00-9.25					
Ogden	\$6.20		\$4.03	\$4.15	\$6.25	\$4.90
Great Falls	\$4.50-5.00	\$7.00- 7.25		\$4.34-4.46(12%)	\$6.31-6.38	
Minneapolis	\$4.37			\$4.74¼ (12%)	\$7.18½	

Market trends this week

BARLEY – Local feed barley prices were steady, with north Idaho prices steady to 25 cents higher. Open market barley prices remained steady this week. USDA reported there were no weekly barley export sales or shipments last week.

BARLEY S&D Projections Sept. 12, 2017 - – USDA made no changes to the domestic barley balance sheet this month, except to widen the average farm-gate price range to \$4.20-5.90.

Barley Competitor / Buyer News – USDA raised their Canadian barley production estimate this week by .25 MMT to 7.25 MMT, compared to 8.0 MMT last year. They cut Argentine production by .25 MMT to 2.75 MMT.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 5 cents to plus 8 cents; HRW prices ranged from minus 6 cents to plus 24 cents; and DNS prices ranged from minus 10 cents to plus 27 cents. USDA reported weekly export sales were below trade expectations last week at 316.7 TMT, down 16% from the previous week and down 24% from the previous 4-week average. Wheat export shipments were better at 439.2 TMT, up 94% from the previous week but down 12% from the 4-week average.

WHEAT S&D Projections Sept. 12, 2017 – Slightly bearish against trade expectations... USDA made no changes to the domestic wheat balance sheet, **leaving MY 17/18 ending stocks unchanged at 933 million bu, which is above the average pre-report trade estimate of 914 million bu.** The average U.S. wheat farm-gate price range is tightened to \$4.30-4.90/bu. **World wheat production is pegged at 744.85 MMT**, up 1.7 MMT from last month but down 1.1% from

last year. **World wheat ending stocks are lowered by 1.6 MMT to 263.14 MMT, up 3% from a year ago.** This was **BELOW** the average pre-report trade estimate of 264.3 MMT.

Wheat Competitor / Buyer News – As expected, USDA raised their Russian wheat production estimate by 3.5 MMT to 81 MMT. Russian wheat exports are increased by 1 MMT to 32.5 MMT. Ukrainian exports also are raised by .5 MMT to 16.5 MMT. USDA cut Australian production by 1 MMT to 22.5 MMT, compared to Australia’s ABARE revised estimate this week of 21.6 MMT and National Australian Bank estimate of 20.1 MMT. Strategie Grains is projecting the French wheat crop at 37.4 MMT this year, the 3rd highest on record, and exports at 18.2 MMT, up sharply from 11.3 MMT last year.

CORN – USDA reported export sales were on the high end of trade expectatons at 1.047 MMT, up sharply from last week. Corn export shipments totaled 714.6 TMT, reinforcing a sluggish export pace so far in the new marketing year.

CORN S&D Projections Sept. 12, 2017- MY 2017/18- Bearish against trade expectations... Despite expectations for lower yields, USDA raised yields by 0.4 bpa to 169.9 bpa. Beginning stocks are cut by 20 million bu to 2.35 billion bu (50 million lower industrial usage offset by 70 million bu higher exports), output is raised by 31 million bu to 14.184 billion bu, feed usage is increased by 25 million bu and industrial use is cut by 75 million bu (ethanol cut by 25 million bu). This resulted in a **62 million bu increase in ending stocks to 2.335 billion bu, ABOVE the average estimate of 2.125 billion bu.** The average U.S. corn farm-gate price range is widened to \$2.80-3.60/bu. **World corn production is pegged nearly 1 MMT lower at 1,032.6 MMT, down 4% from last year. World corn ending stocks are increased by 1.6 MMT to 202.47 MMT, down 11% from last year but ABOVE the average pre-report trade estimate of 197.8 MMT.**

Ethanol corn usage – DOE’s Energy Information Agency reported a downtick in U.S.ethanol production last week – down 13,000 bbls or 1.23% to 1,047,000 bbls per day, which is up 4.3% from a year ago. Ethanol stocks increased slightly to 21.13 million bbls, up 4.6% from a year ago. Weekly corn usage for ethanol remains strong at 109.94 million bu.

Corn Competitor / Buyer News – USDA raised Argentine corn production by 2 MMT to 42 MMT, despite difficult planting conditions. They also cut Ukrainian corn production by 1 MMT to 27.5 MMT, but raised their exports bby 0.5 MMT to 22 MMT. China has sold 44.1 MMT of state corn reserves this year according to the CNGOIC. They are estimating China’s 2017 corn crop at 212.5 MMT, but USDA left their estimate unchanged at 215 MMT. China announced a bold plan to revitalize ethanol production by increasing gasoline blending to 10%.

Futures Market trends this week
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WHEAT – Wheat markets opened the week lower under pressure from technical selling sparked by a higher dollar and positioning ahead of Tuesday’s monthly S&D report. Prices rebounded higher on Tuesday and Wednesday on short covering sparked by USDA’s surprising cut in world wheat stocks. Wheat finished lower today (Thursday) under pressure from disappointing export sales. **Wheat futures contract closes on Thursday, 9/14/2017**

	Dec 2017	Week Change	Mar 2018	Week Change	May 2018	Week Change
CHI SRW	\$4.43	Up \$0.05¼	\$4.62½	Up \$0.03¼	\$4.76¼	Up \$0.02¾
KC HRW	\$4.42	Up \$0.00½	\$4.59¼	Up \$0.00¼	\$4.72½	Up \$0.00½
MGE DNS	\$6.32½	Down \$0.14¼	\$6.45¼	Down \$0.11¾	\$6.48¼	Down \$0.06

CORN – Corn markets opened the week fractionally higher in two-sided trade ahead of Tuesday’s monthly S&D report. Prices retreated on Tuesday in the face of bearish crop yield and production estimates. Corn markets closed unchanged on Wednesday but rebounded modestly higher today (Thursday) on better export sales and a lower dollar. **Corn futures contract closes on Thursday, 9/14/2017 ...Dec. 2017 contract at \$3.54¼, down \$0.02½ for the week, Mar. 2018 contract closed at \$3.66½, down \$0.02½ for the week and May 2018 contract closed at \$3.74¾, down \$0.02 for the week.**

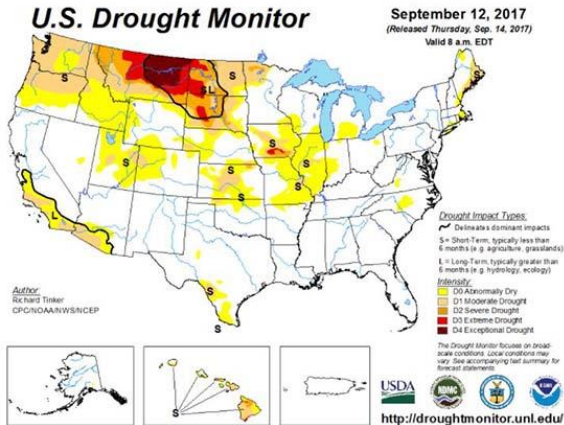
CRUDE OIL – Crude oil futures chopped higher his week to a 6-week high, with support from refinery capacity coming back on line on the Gulf Coast and reports that Saudi Arabia is in talks with other OPEC producers about the possibility of extending production cuts beyond their current March 2018 commitment. DOE EIA reported another weekly build in crude oil stocks – up 5.888 million bbls, compared to an expected build of 3.238 million bbls. Distillate stocks decreased by 3.215 million bbls, while gasoline stocks decreased by 8.428 million bbls. **Crude oil futures finished up \$2.41/bbl for the week to close at \$49.89/bbl.**

U.S. Crop / Weather Conditions – PNW saw warm and dry conditions ahead of a cold front which is ushering in cooler temps and widely scattered showers which should boost moisture for winter wheat planting. The Plains saw very dry and warm conditions. The Western Corn Belt was warm and dry while the Eastern Corn Belt saw remnants of Irma Tropical

Depression. In recent weeks dryness has expanded across key parts of Corn Belt and High Plains. The **6-10 day outlook** calls for cooler and wet conditions across the PNW and warm and wet across the Plains and Corn Belt, which should help boost soil moisture for winter wheat planting.

USDA Crop Progress / Condition Report, Sept. 11, 2017

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Barley	96% harvested	92%	94%	93%			
ID Barley	96% harvested	90%	93%	94%			
US Spring Wheat	95% harvested	89%	94%	87%			
ID Spring Wheat	95% harvested	88%	91%	93%			
US Winter Wheat	5% planted	NA	5%	6%			
ID Winter Wheat	6%	NA	5%	9%			
Corn	75% dented 21% mature 5% harvested	60% 12% NA	85% 31% 5%	81% 31% 6%	61%	62%	74%



International

Canada – Unseasonable warmth and dryness continues to promote maturation and harvest.

Black Sea region – Recent showers across Western Russia have improved soil moisture for winter wheat planting but rains came too late for corn fill.

South America – Brazil remains mostly dry, while key growing areas of Argentina continue to receive excessive moisture which may affect corn planting.

Australia – Continuing dryness has reduced yield potential across the northeastern regions, while Victoria received beneficial moisture. Other key southeastern and western growing regions are trending dry.