

Idaho Grain Market Report, Oct. 12, 2017

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New CROP prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Oct. 11, 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		\$3.74	\$4.50	\$5.75	\$4.55
Idaho Falls		\$8.30 -9.06	\$3.80	\$4.30	\$5.80	\$4.50
Blackfoot / Pocatello		\$6.50	\$3.80	\$4.30	\$5.80	\$4.50
Grace / Soda Springs	\$6.00		\$3.56	\$3.67	\$5.78	\$4.42
Burley / Rupert	\$5.50		\$3.63	\$3.85	\$5.61	\$4.40
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.75-5.80		\$3.60-3.65	\$3.70	\$5.80	\$4.45
Nampa / Weiser	\$5.75		\$3.65			
Nez Perce / Craigmont	\$4.61		\$4.46	\$4.78	\$6.59	
Lewiston	\$5.13		\$4.72	\$5.04	\$6.85	
Moscow / Genesee	\$4.61-4.70		\$4.49-4.61	\$4.81-5.01	\$6.62-6.77	\$4.96

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. --	Malting	#1 SWW Ord pro - Oct \$5.08¼ - 5.31	#1 HRW 11.5% Protein \$5.28¼ - 5.93¼	#1 DNS 14% Protein \$7.29-7.49	#1 HWW
Portland						
Los Angeles	\$9.00-9.25					
Tulare	\$9.00-9.25					
Ogden	\$6.20		\$3.90	\$3.95	\$6.03	\$4.70
Great Falls	\$4.75-5.00	\$7.00- 7.25		\$4.66-4.88(12%)	\$6.14-6.21	
Minneapolis	\$4.37			\$4.58¼ (12%)	\$7.29	

Market trends this week

BARLEY – Local feed barley prices were steady to 10 cents lower this week, while open market malting barley prices were steady. USDA will report weekly export sales on Friday due to Monday's holiday.

BARLEY S&D Projections Oct. 12, 2017 - – USDA made only very minor changes to the domestic barley balance sheet this month, cutting beginning stocks by 2 million bu to 106 million bu and increasing new crop production by 2 million bu to 142 million bu, resulting in no change to the ending balance of 70 million bu, which is down 34% from a year ago. USDA narrowed the average farm-gate price range to \$4.10-5.10. World barley production was increased slightly this month to 142 MMT, down 4% from last year. World barley ending stocks were increased by 0.4 MMT this month to 19 MMT, down 22% from last year.

Barley Competitor/Buyer News – USDA's current barley competitor production and export estimates (Oct. 12, 2017):

MY 2017/18	Production	Exports	Ending Stocks
EU	58.8 MMT (-2%)	6.2 MMT	5.1 MMT
Russia	20.5 MMT (+17%)	4.5 MMT	1.2 MMT
Ukraine	8.7 MMT (-12%)	4.6 MMT	4.8 MMT
Australia	8.0 MMT (-40%)	5.8 MMT	
Canada	7.25 MMT (-18%)	1.3 MMT	1.1 MMT
Argentina	2.75 MMT (-17%)	1.7 MMT	

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 12 cents to plus 10 cents; HRW prices ranged from minus 11 cents to plus 4 cents; and DNS prices ranged from 9 to 20 cents higher. USDA reported weekly export shipments were below trade expectations at 350.6 TMT, down 51% from the previous week. The cumulative wheat export shipment pace has reached 38.8% of the USDA estimate for the year, compared to a 5-year average pace of 40.9%. Wheat export sales will be reported on Friday.

WHEAT S&D Projections Oct. 12, 2017 – Bearish against trade expectations... As expected, USDA tweaked the domestic wheat balance sheet this month – cutting beginning stocks by 3 million bu to 1.181 billion bu, increasing new crop production by 2 million bu to 1.741 billion bu and cutting feed usage by 30 million bu to 120 million bu, resulting in a 27 million bu increase in wheat ending stocks to 960 million bu. This is **ABOVE the average pre-report trade estimate of 944 million bu**. The average U.S. wheat farm-gate price range is tightened to \$4.40-4.80/bu. **World wheat production is pegged 6.3 MMT higher this month to 751.2 MMT**, down -0.3% from last year. **World wheat ending stocks are increased by nearly 5 MMT to 268.1 MMT, up 4.5% from a year ago**. This is **ABOVE the average pre-report trade estimate of 263.4 MMT**.

Wheat Competitor / Buyer News – USDA pegged Australian wheat crop this week at 21.5 MMT, compared to ABARE's latest estimate of 20.15 MMT, and their exports at 18 MMT, down from 23 MMT last year. USDA increased wheat production estimates this week for several competitors: EU up 2.2 MMT to 151 MMT, Russia up 1 MMT to 82 MMT and Canada up 1.5 MMT to 27 MMT. SovEcon agency has increased their Russian wheat production estimate this week to 82.9 MMT.

CORN – USDA reported corn export shipments were on the low end of trade expectations last week at 676.2 TMT, down 2% from the previous week. The cumulative corn export shipment pace has reached 7.5% of the USDA estimate for the year, compared to a 5-year average pace of 9.3%. Corn export sales will be reported on Friday.

CORN S&D Projections Oct. 12, 2017 - Bearish against trade expectations... USDA cut harvested acreage by 0.4 million to 83.1 million, raised yields by 1.9 bpa to 171.8 bpa. Beginning stocks are cut by 55 million bu to 2.295 billion bu, new crop output is raised by 96 million bu to 14.280 billion bu, which is **ABOVE the average estimate of 14.171 billion bu**. Domestic feed usage is increased by 25 million bu and industrial use is increased by 10 million bu (ethanol left unchanged at 5.475 billion bu). This resulted in a **5 million bu increase in ending stocks to 2.340 billion bu, ABOVE the average estimate of 2.251 billion bu**. The average U.S. corn farm-gate price range is left unchanged at \$2.80-3.60/bu. **World corn production is pegged 6 MMT higher this month at 1038.8 MMT**, down 3.4% from last year. **World corn ending stocks are cut by 1.5 MMT to 200.96 MMT, down 11.5% from last year and SLIGHTLY BELOW the average pre-report trade estimate of 201.2 MMT**.

Ethanol corn usage – DOE's Energy Information Agency reported a bearish downtick in weekly U.S. ethanol production—down 34,000 bbls or 4.3% to 967,000 bbls per day, which is just 0.5% above a year ago. Ethanol stocks declined slightly to 21.523 million bbls, up 11% from a year ago. Weekly corn usage for ethanol has slipped to 99.3 million bu, below the pace needed to reach USDA's estimate for the new marketing year of 5.475 billion bu.

Corn Competitor / Buyer News – USDA left new crop corn estimates unchanged for Brazil at 95 MMT (down 4% from record 2016/17 crop of 98.5 MMT) and Argentine production at 42 MMT (up 2.4% from 2016/17 crop of 41 MMT). Reports from Brazil indicate that late planted soybeans could reduce 2nd crop corn plantings and yields. Center south corn planting is reportedly 29% complete vs. 37% last year. The French corn crop is estimated to be 11% bigger than last year at 13 MMT due to favorable growing conditions.

Futures Market trends this week

WHEAT –Wheat traded mostly lower to start the week under pressure from beneficial moisture across winter wheat production areas and large global stocks which are keeping a lid on U.S. wheat export prospects. Wheat finished lower today (Thursday) under pressure from USDA's larger than expected U.S. and world wheat stocks estimates. **Wheat futures contract closes on Thursday, 10/12/2017**

	Dec 2017	Week Change	Mar 2018	Week Change	May 2018	Week Change
CHI SRW	\$4.30½	Down \$0.13	\$4.49½	Down \$0.13¼	\$4.61¾	Down \$0.15
KC HRW	\$4.26¼	Down \$0.10½	\$4.44½	Down \$0.10¼	\$4.58¾	Down \$0.10
MGE DNS	\$6.11¼	Down \$0.12½	\$6.25	Down \$0.11¾	\$6.31½	Down \$0.12

CORN- Corn remained in a tight down channel this week on seasonal harvest pressure and technical selling. Corn closed modestly higher today (Thursday) on spillover support from soybeans which are buoyed by USDA's smaller than expected domestic yield and ending stocks estimates. **Corn futures contract closes on Thursday, 10/12/2017 ...Dec. 2017 contract at \$3.49, down \$0.01 for the week, Mar. 2018 contract closed at \$3.62³/₄, down \$0.00¹/₂ for the week and May 2018 contract closed at \$3.71¹/₄, down \$0.00¹/₄ for the week.**

CRUDE OIL – Crude oil futures chopped higher early in the week with support from a lower dollar and speculation that OPEC production cuts are helping to rebalance global supply and demand. However the International Energy Agency released its latest global oil market forecasts later in the week, predicting the global oil glut will likely continue into 2018 despite extended OPEC production cuts, due to a surge in US shale oil production. The US EIA reported domestic crude oil stocks declined for a third consecutive week as refineries continue to expand or bring processing back on line – down 2.747 million bbls, compared to an expected decline of 2.0 million bbls. Distillate stocks decreased by 1.48 million bbls, compared to an expected decline of 2.2 million bbls, and gasoline stocks increased by 2.49 million bbls, compared to an expected decrease of 480,000 bbls. **Crude oil futures (Nov) finished down \$1.31/bbl for the week to close at \$49.29/bbl.**

U.S. Crop / Weather Conditions – PNW was mostly cool this week with widely scattered rain and high elevation snow. The extended forecast calls for cool and mostly rainy conditions. The Northern Plains were cooler this week while warmth prevailed across the Central and Southern Plains. The Corn Belt experienced mostly mild weather this week after recent rains significantly slowed harvest. Another band of showers was expected to track through the Midwest in the middle of the week with a wet 7 day outlook for Iowa, northern Illinois, Southern Wisconsin and Michigan. The **6-10 day outlook** calls for above normal temps across most of the country, except the PNW, and normal to below normal precipitation for the Midwest and wetter than normal across the PNW.

USDA Crop Progress / Condition Report, Oct. 10, 2017

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Winter Wheat	48% planted 25% emerged	36%	57%	58%			
ID Winter Wheat	86% planted 37% emerged	65%	69%	69%			
Corn	82% mature 22% harvested	68%	92%	87%	64%	61%	73%

International

Europe – Recent showers across western, central and eastern regions are boosting winter grain emergence.

Black Sea region – Dry but cold conditions prevailed across Eastern Ukraine and Western Russia, accelerating corn harvest but soil moisture remained short for winter wheat emergence.

South America – Southern and central Brazil growing areas received beneficial moisture this week which has slowed corn and soybean planting, which may cause lower acres and yields for the 2nd corn crop (follows beans). Drier weather across Argentina favors corn planting.

Australia – Western areas remain warm with adequate soil moisture, southeastern areas remain unfavorably dry, while soaking rains have stabilized crops across northeastern areas but have come too late to improve winter grain yields.

SAVE THESE DATES...

IBC WEBINAR SERIES...

Dec. 2 at 8:30 a.m. MST – Winter 2018 Weather & Water Outlook featuring Troy Lindquist, NWS Senior Hydrologist.

UI EXTENSION 2018 AG OUTLOOK SEMINARS...

Dec. 5 – Idaho Falls

Dec. 6 – Burley

Dec. 7 – Caldwell

IDAHO AG TECHNOLOGY BOOTCAMP on January 4-5, 2018

sponsored by the UI Extension, Idaho Barley Commission, Idaho Wheat Commission, Anheuser Busch InBev, Great Western Malting Co. and Simplot. This event will take place at Idaho State University in Pocatello. Watch for more details.