

Idaho Grain Market Report, Nov. 9, 2017

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New CROP prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Nov. 8, 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	\$5.00-6.00		\$3.72	\$4.52	\$6.10	\$4.77
Idaho Falls		\$8.30 -9.06	\$3.75	\$4.30	\$6.05	\$4.50
Blackfoot / Pocatello		\$6.50	\$3.75	\$4.30	\$6.05	\$4.50
Grace / Soda Springs	\$6.00		\$3.68	\$3.93	\$6.01	\$4.53
Burley / Rupert	\$5.50		\$3.76	\$4.06	\$5.92	\$4.81
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$6.00		\$3.75	\$4.02	\$6.15	\$4.85
Nampa / Weiser	\$5.50		\$4.05			
Nez Perce / Craigmont	\$4.61		\$4.41	\$4.71	\$6.78	
Lewiston	\$5.13		\$4.67	\$4.97	\$7.04	
Moscow / Genesee	\$4.61-4.70		\$4.44-4.51	\$4.74-4.94	\$6.81-7.00	\$4.94

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			\$5.15¾-5.35	\$5.76¼ -5.91¼	\$7.57¾ -7.67¾	
Los Angeles	\$9.00-9.25					
Tulare	\$9.00-9.25					
Ogden	\$6.40		\$3.93	\$4.30	\$6.49	\$4.90
Great Falls	\$5.25	\$7.50- 7.75		\$4.90-5.01(12%)	\$6.53-6.65	
Minneapolis	\$5.00			\$4.56½ (12%)	\$7.59¾ - 7.84¾	

Market trends this week

BARLEY – Local feed barley and malting barley prices were mostly steady this week. USDA reported no barley export sales for last week but reported that barley export shipments reached a marketing year high of 2000 MT, all to Japan.

BARLEY S&D Projections Nov. 9, 2017 - – USDA made only very minor changes to the domestic barley balance sheet this month, increasing food and malting usage by 9 million bu to 162 million bu and cutting ending stocks by an equal amount to a multi-year low of 61 million bu. USDA left the average farm-gate price estimate unchanged at \$4.10-5.10. World barley production is cut slightly this month to 141.66 MMT, down 4% from last year. World barley ending stocks are cut slightly to 18.85 MMT, down 23% from last year.

WHEAT – Local wheat prices were higher this week: SWW prices ranged from 3 to 10 cents higher; HRW prices ranged from 5 to 23 cents higher; and DNS prices ranged from 17 to 30 cents higher. USDA reported weekly export sales were above trade expectations last week at 781.7 TMT, up noticeably from the previous week and the 4 week average. Wheat export shipments totaled 298 TMT, down 21% from the previous week but up 5% from the 4-week average.

WHEAT S&D Projections Nov. 9, 2017 – **Bullish against trade expectations...** USDA surprised the trade by increasing wheat exports this month by 25 million bu to 1.0 bbu and cutting ending stocks by an equal amount to 935 million bu. This is **BELOW the average pre-report trade estimate of 956 million bu.** The average U.S. wheat farm-gate price range is left unchanged at \$4.40-4.80/bu. **World wheat production is pegged 0.8 MMT higher this month to 751.98 MMT,** down -0.3% from last year. **World wheat ending stocks are cut by 0.6 MMT this month to 267.5 MMT,** up 4.7% from a year ago. This estimate is in line with the average pre-report trade estimate of 263.4 MMT.

Wheat Competitor / Buyer News – Russian Ag Minister has pegged Russia’s wheat crop at 87.9 MMT, compared to USDA’s latest estimate of 83 MMT. Russia’s wheat export pace remains strong at 13 MMT on November 1, up 22% from the same period a year ago. The National Australian Bank left their Australian wheat crop estimate unchanged this month at 18.7 MMT, down sharply from last year’s record 33.5 MMT. The Pakistani government may approve up to 2 MMT of wheat exports this year after their crop was pegged at 26.5 MMT and surplus stocks at 9 MMT. Iraq purchased 450 TMT of U.S HRW wheat last week, more than originally reported. Egypt purchased 120 TMT of Russian wheat this week. The Indian government has doubled its wheat import tax to 20% to make its domestic crop more competitive. USDA’s current wheat competitor production and export estimates (Nov. 9, 2017):

CORN – USDA reported corn export sales were well above trade expectations last week at 2.365 MMT (plus 574.2 TMT for MY 2018/19), up noticeably from the previous week and up 92% from the 4-week average. Corn export shipments last week totaled 489.8 TMT.

CORN S&D Projections Nov. 9, 2017 - Bearish against trade expectations... USDA increased their corn yield, production and ending stocks estimates more than the trade expected this month...yield was increased from 171.8 bpa to 175.4 bpa, production was increased by 298 million bu to 14.578 billion bu, which is **WELL ABOVE the average estimate of 14.327 billion bu**. Domestic feed usage is increased by 25 million bu to 5.575 billion bu, exports are increased by 75 million bu to 1.925 billion bu, resulting in a **147 million bu increase in corn ending stocks to 2.487 billion bu, ABOVE the average estimate of 2.361 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 5 MMT higher this month at 1043.9 MMT**, down 3% from last year. **World corn ending stocks are increased by 3 MMT to 203.9 MMT, down 10% from last year but ABOVE the average pre-report trade estimate of 201 MMT.**

Ethanol corn usage – DOE’s Energy Information Agency reported a modest upick in weekly U.S.ethanol production after strong gains the past three weeks – up 1,000 bbls or 0.1% to 1,057,000 bbls per day - which is 5.5% above a year ago. Ethanol stocks tightened slightly to 21.345 million bbls, down 0.6% from last week but up 11% from a year ago. Weekly corn usage for ethanol last week totaled 109.99 mbu, above the pace needed to reach USDA’s estimate for MY 2017/18 of 5.475 billion bu.

Corn Competitor/Buyer News – USDA announced more big U.S. corn sales this week. Ukraine Ag Minister lowered their corn crop from 24.5 MMT to 24 MMT due to unfavorable harvest weather across the western region. Their corn harvest was estimated at only 65% completed early this week and more rain is forecast for the next 10 days. They have pegged their corn exports at 19.8 MMT compared to 21.2 MMT last year. So far this marketing year, Ukrainian corn exports are trending down 7% from the same period a year ago. CONAB is now estimating the Brazilian corn crop at 92.6 MMT compared to 97.8 MMT last year. USDA left their Brazilian crop production unchanged this month at 95 MMT.

Futures Market trends this week

WHEAT – Short covering and bargain hunting lifted wheat prices to start the week, but gains could not be sustained as winter wheat prices chopped lower on Tuesday under pressure from a higher dollar and higher winter wheat crop rating before the crop heads into winter dormancy. Wheat prices rebounded on Wednesday on another round of short covering ahead of Thursday’s monthly supply and demand report. Wheat finished higher today (Thursday) on support from bullish domestic and world ending stocks estimates from USDA today. **Wheat futures contract closes on Thursday, 11/09/2017...**

	Dec 2017	Week Change	Mar 2018	Week Change	May 2018	Week Change
CHI SRW	\$4.29	Up \$0.03¼	\$4.45	Up \$0.00½	\$4.56	Down \$0.01½
KC HRW	\$4.29	Up \$0.02¼	\$4.46	Up \$0.01½	\$4.58¼	Up \$0.00¼
MGE DNS	\$6.48	Up \$0.23¼	\$6.58	Up \$0.19½	\$6.62¾	Up \$0.16½

CORN- Corn posted fractional losses to start the week in choppy trading under pressure from disappointing exports and more favorable South American weather outlook. Countervailing support came from the lagging harvest pace (70% vs, 10 year average of 76%) and a deeply oversold technical condition. Expectations of bearish yield and production estimates in USDA’s key monthly report continued to weigh on corn on Wednesday, but a round of short covering helped corn overcome early weakness. Corn closed lower today (Thursday) under pressure from more bearish that expected corn yield, production and ending stocks estimates from USDA. **Dec. 2017 contract closed on 11/09/2017 at \$3.41½, down \$0.06¾ for the week, Mar. 2018 contract closed at \$3.54¾, down \$0.07¼ for the week and May 2018 contract closed at \$3.63½, down \$0.07¼ for the week.**

CRUDE OIL – Crude oil futures surged higher on Monday with gains attributed to geopolitical tensions between Saudi

Arabia and Iran and events surrounding the Saudi ruler's quest to consolidate power under the guise of an anticorruption crackdown. A higher dollar pulled crude slightly lower on Tuesday, along with pressure from the EIA short term outlook which revised 2018 U.S. production estimates higher than expected – up 720,000 bpd to 9.95 million bpd compared to previous month's estimate of a gain of 680,000 bpd to 9.92 million bpd. The US EIA reported a surprising build in domestic crude oil stocks last week – up 2.237 million bbls, compared to an expected decline of 2.7 million bbls. Distillate stocks decreased by 3.359 million bbls, compared to an expected decline of 1.85 million bbls. Gasoline stocks decreased by 3.312 million bbls, compared to an expected decrease of 2.25 million bbls. **Crude oil futures (Dec) finished up \$2.03/bbl for the week to close at \$57.67/bbl.**

U.S. Crop / Weather Conditions – PNW is experiencing the first in a series of storm systems sweeping through the region, bringing beneficial precipitation including high elevation snow. Wintery temperatures persisted across Montana and the Dakotas, while chilly rain was falling across parts of Oklahoma and Texas. The Corn Belt is seeing mostly cool dry conditions, favoring harvest. The 5-day maps shows these chilly temps lingering but the **6-10 day outlook** calls for normal to above normal temperatures and mostly dry conditions across much of the country, except for the PNW which remains cooler and wetter than normal.

USDA Crop Progress / Condition Report, Nov. 6, 2017

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US Winter Wheat	91% planted 75% emerged	84%	90%	91%	55%	52%	58%
ID Winter Wheat	100% planted 92% emerged	100%	95%	99%	56%	60%	
Corn	70% harvested	54%	84%	83%			

**SAVE THESE DATES...
IBC WEBINAR SERIES...**

Dec. 1 at 8:30 a.m. MST – Winter 2018 Weather & Water Outlook featuring Troy Lindquist, NWS Senior Hydrologist. Log onto: <https://uidaho.zoom.us/j/720140886>

Dec. 14 at 8:30 a.m. MST – Five Common Mistakes in Grain Marketing featuring Ed Usset, University of Minnesota Center for Farm Financial Management – URL log-in to be announced before the webinar.

RECORDED 2017 GRAIN MARKETING WEBINAR... How to Write a Pre-Harvest Grain Marketing Plan, featuring Ed Usset, Univ. of Minnesota. Link at <https://umn.webex.com/cmp3200/webcomponents/jsp/docshow/closewind>

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., Simplot, Idaho Farm Bureau Federation and Northwest Farm Credit. This event will take place at Idaho State University in Pocatello. More details at www.barley.idaho.gov