

Idaho Grain Market Report, December 8, 2016

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

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 7, 2016. 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	\$4.75-5.15		\$3.45	\$3.51	\$5.09	\$3.85
Idaho Falls	\$5.00	\$8.30 -8.33	\$3.25	\$3.55	\$5.00	\$3.65
Blackfoot / Pocatello		\$6.50	\$3.25	\$3.55	\$5.00	\$3.65
Grace / Soda Springs	\$5.25		\$3.40	\$3.38	\$5.08	\$3.58
Burley / Rupert	\$5.00		\$3.35	\$3.40	\$4.95	\$3.64
Hazelton						
Twin Falls / Buhl / Wendell	\$6.10		\$3.45	NQ	NQ	
Nampa – Weiser	\$5.90		\$3.57			
Nez Perce / Craigmont	\$3.75		\$3.72	\$4.01	\$5.58	
Lewiston	\$4.25		\$3.98	\$4.27	\$5.84	
Moscow / Genesee	\$3.75-4.25		\$3.75-3.91	\$4.04-4.18	\$5.61-5.75	\$4.18

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. -- unit trains barge	Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			Ord pro - \$4.46 - 4.77 max 10.5% pro \$4.46-4.60	\$4.70 -4.90	\$6.29 -6.540	
Los Angeles	\$7.90-8.20					
Tulare	\$7.90-8.20					
Ogden	\$5.60		\$3.75	\$3.65	\$5.41	\$4.00
Great Falls	\$4.25-4.75	\$6.75		\$3.74-3.83 (12%)	\$5.09-5.29	
Minneapolis	\$4.17	NQ		\$4.25 (12%)	\$6.39	

Market trends this week

BARLEY – Local feed barley prices ranged from steady to 5 cents lower this week, but mostly steady. Open market malting barley prices remained steady. USDA reported there were no new barley export sales last week, while barley export shipments totaled 900 MT to Japan.

Barley Competitor / Buyer News – ABARE has pegged the Australian barley crop at a new record 10.6 MMT, up 23% from a year ago. Stats Canada has pegged the Canadian barley crop at 8.78 MMT, up 3% from a year ago.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 4 cents to plus 25 cents; HRW prices ranged from minus 12 cents to plus 10 cents; and DNS prices ranged from 3 to 16 cents lower. USDA reported wheat export sales last week were on the high end of trade expectations at 503.1 TMT (plus 24.1 TMT for MY 2017/18), up 4% from the previous week but down 22% from the previous 4-week average. Wheat export shipments also were strong last week at 555.5 TMT, up noticeably from the previous week and up 59% from the previous 4-week average.

Wheat Competitor / Buyer News – This week ABARE pegged the Australian wheat crop at a new record high of 32.6 MMT, up 33% from a year ago. Stats Canada pegged the Canadian wheat crop at 31.7 MMT, at the second highest level

ever and up 15.2% from a year ago. Indian government decided to eliminate their existing 10% wheat import tariff. Jordan sought 50 TMT of optional origin wheat this week. Saudi Arabia is tendering for 714 TMT of wheat.

CORN – USDA reported corn export sales were WELL ABOVE trade expectations last week at 1.495 MMT, up 96% from the previous week and up 12% from the previous 4-week average. Corn export shipments totaled 1.366 MMT, up 69% from the previous week and up 94% from the previous 4-week average. Cumulative corn export shipments now tally 24.3% of the USDA estimate for the marketing year, compared to a 5-year average pace of 22.6%.

Ethanol corn usage – DOE's Energy Information Agency reported a positive uptick in U.S. ethanol production last week to 1,023,000 bbls per day, up 11,000 bpd or +1.1% from the previous week and up 3% from a year ago. Stocks inched up to 18.53 million bbls, but still down 6.6% from a year ago. Weekly corn usage topped 107.4 million bu, well above the weekly pace needed to reach USDA's projection of 5.3 billion bu for MY 2016/17.

Corn Competitor / Buyer News – South Korean processors bought 267 TMT of US or optional origin corn this week. The Chinese organization CNGOIC pegged Chinese corn use this year at 197%, up 20% above a year ago. The National Bureau of Stats pegged their domestic corn crop at 219.6 MMT, down 2.2% from a year ago.

Futures Market trends this week

WHEAT – Wheat markets opened the week mixed to modestly higher with support from a lower dollar, better than expected export inspections and forecasts calling for frigid temperatures to dip down into the Central Plains where protective snow cover is spotty. Wheat settled lower on Tuesday under pressure from large wheat harvests underway in Australia and Argentina. Profit-taking drove prices lower again on Wednesday, posting fresh contract lows in the winter wheat contracts. Wheat prices rebounded higher on Thursday on short covering sparked by cold temperatures expected across the Central Plains, expanding drought areas and strong export sales. **Wheat market closes on Thursday, 12/08/2016...**

12/08/2016...

	Mar 2017	Weekly Summary	May 2017	Weekly Summary	July 2017	Weekly Summary
Chicago SRW	\$4.08¹/₄	Up \$0.04	\$4.18³/₄	Up \$0.01³/₄	\$4.30¹/₄	Down \$0.00³/₄
HRW	\$4.04³/₄	Down \$0.04	\$4.16¹/₄	Down \$0.04¹/₄	\$4.28¹/₂	Down \$0.04
DNS	\$5.31	Down \$0.07¹/₂	\$5.33³/₄	Down \$0.06¹/₄	\$5.37¹/₄	Down \$0.05¹/₂

CORN – Corn posted double digit gains to start the week on better than expected corn export shipments and spillover strength from soybeans. Corn settled modestly higher in follow through buying attributed to stronger soybeans. But gains were short lived, as corn prices chopped lower on Wednesday and Thursday under pressure from profit-taking despite a stronger than expected export sales. **Corn futures contract closes on Thursday, 12/08/16...** **Mar 2017 contract at \$3.53¹/₂, up \$0.06¹/₄ for the week, May 2017 contract closed at \$3.60¹/₄, up \$0.06 for the week and the July 2017 contract closed at \$3.67³/₄, up \$0.06 for the week.**

CRUDE OIL – After a big price boost last week from the OPEC deal to curb their oil production for the first time in 8 years, crude oil prices chopped lower this week on ideas that better prices will spur increased shale oil production in the U.S., partially negating OPEC's pumping reduction. Prices recovered toward the end of the week. The U.S. DOE Energy Information Agency reported domestic crude oil inventories fell more than expected last week – down 2.389 million bbls compared to an expected decrease of 1.5 million bbls. Distillate stocks increased by 2.5 million bbls, while gasoline stocks increased by 3.43 million bbls. The EIA also updated their short term domestic energy forecast, increasing domestic production from 8.84 million bpd to 8.86 million bpd for 2016 and increasing from 8.73 million bpd to 8.78 million bpd in 2017. They reported US oil rigs increased to the highest level since January. **Crude oil futures (Jan contract) finished down \$0.84/bbl for the week to close at \$50.84.**

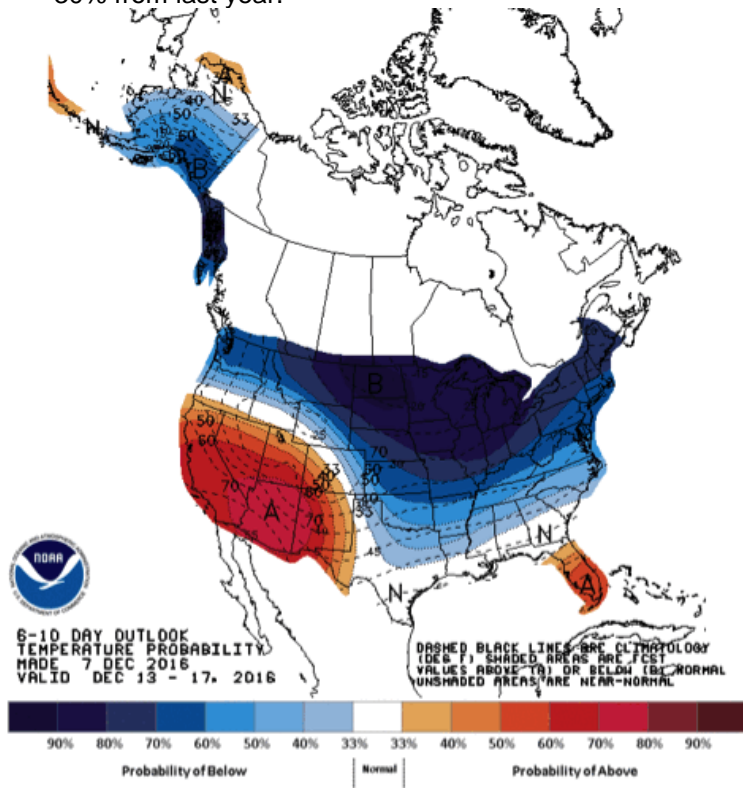
Weather / Crop Conditions –

- **U.S.** – Western and northern regions are cold and snowy, with the first major cold snap of the season dipping downward into hard red winter wheat region where winterkill is a risk as protective snow cover is spotty particularly in eastern CO and western KS. The National Weather Service's updated Drought Monitor now shows about 30% of US wheat areas in drought, compared to 23% the week before (see map below). The 6-10 day outlook calls for below normal temperatures across much of the country, wetter than normal across the northern and eastern regions and drier than normal across the south central region.

INTERNATIONAL -

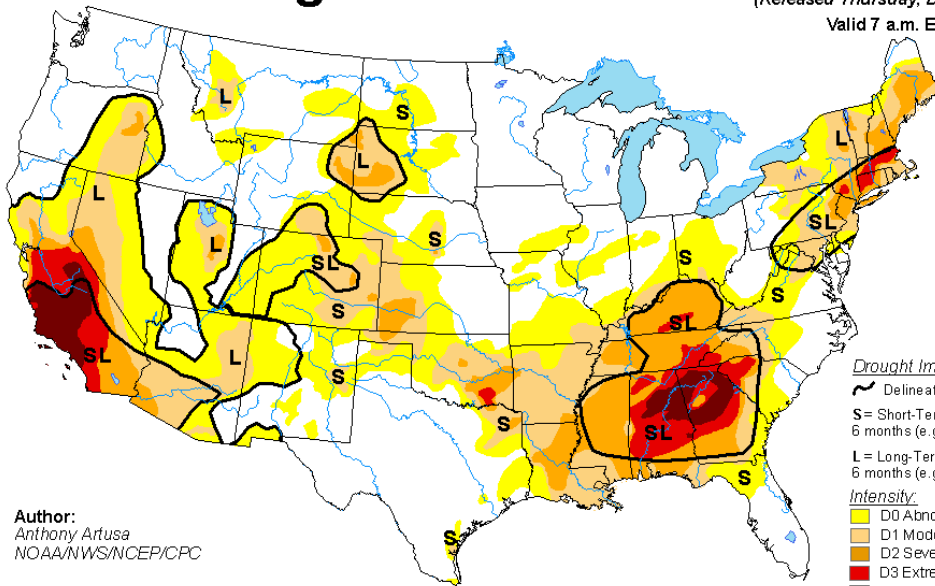
- **South America** – Argentine grain belt was hot and mostly dry this week while Southern Brazil continued to receive beneficial moisture.

- **Australia** – After mostly favorable harvest conditions last week, the weather turned wetter across the eastern grain belt delaying harvest. Australia is expecting to harvest a record wheat crop this year, topping 32 MMT, up at least 30% from last year.



U.S. Drought Monitor

December 6, 2016
(Released Thursday, Dec. 8, 2016)
Valid 7 a.m. EST



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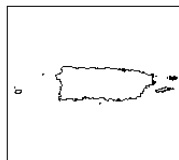
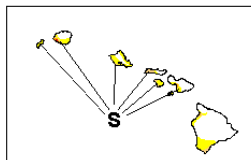
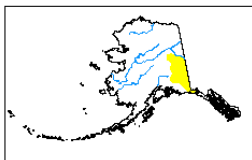
Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



<http://droughtmonitor.unl.edu/>