

Idaho Grain Market Report, Dec. 14, 2017

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, Dec. 13, 2017. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED 48 lbs or better</b>	<b>MALTING Open market malting</b>	<b>Wheat (bu.) Milling</b>			
			#1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg / Ririe	\$5.50-6.00		\$3.50-3.70	\$4.46	\$5.87	\$4.81-4.85
Idaho Falls		\$8.30 -9.06 nc \$10.62	\$3.60	\$4.50	\$5.75	\$4.70
Blackfoot / Pocatello		\$6.50	\$3.60	\$4.50	\$5.75	\$4.70
Grace / Soda Springs	\$6.00		\$3.54	\$4.25	\$5.67	\$4.55
Burley / Rupert	\$5.50		\$3.52	\$3.95	\$5.42	\$4.65
Hazelton						
Twin Falls / Buhl / Jerome / Wendell	\$5.30-6.25		\$3.35 – 3.60	\$4.30	\$5.65	\$4.58
Nampa / Weiser	\$5.75		\$4.02			
Nez Perce / Craigmont	\$4.61		\$4.30	\$4.58	\$6.51	
Lewiston	\$5.13		\$4.56	\$4.84	\$6.77	
Moscow / Genesee	\$4.61-4.70		\$4.33-4.45	\$4.61-4.82	\$6.54-6.75	\$4.82

Prices at Selected Terminal Markets, cash prices FOB

	<b>#2 Feed 46 lbs. --</b>	<b>Malting</b>	<b>#1 SWW Ord pro -</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			\$5.07 -5.30	\$5.61¼ -5.76¼	\$7.32½ -7.37½	
Los Angeles	\$8.65-9.00					
Tulare	\$8.65-9.00					
Ogden	\$6.30		\$3.75	\$4.55	\$6.10	\$4.85
Great Falls	\$5.25	\$7.50- 8.00		\$4.67-4.82(12%)	\$6.22-6.29	
Minneapolis	\$5.52			\$4.86¼ (12%)	\$7.32½ - 7.52½	

Market trends this week

**BARLEY** – Local feed barley prices ranged from minus 10 cents to plus 25 cents, but were mostly steady this week. Open market malting barley prices remained steady this week. USDA reported there were no barley export sales last week and export shipments of 900 MT to Japan and Taiwan.

**BARLEY S&D Projections Dec. 12, 2017 -** – USDA made no changes to its domestic barley balance sheet except to tighten its average farm-gate price estimate to \$4.10-4.90.

**WHEAT** – Local wheat prices were mixed this week. SWW prices ranged from minus 13 cents to steady; HRW prices ranged from minus 7 cents to plus 5 cents; and DNS prices ranged from steady to 5 cents lower. USDA reported weekly export sales were above trade expectations last week at 588.8 TMT (plus 9.5 TMT for MY 2018/19), up 83% from the previous week and up 97% from the 4-week average. Wheat export shipments were weaker at only 300.8 TMT, down 24% from the previous week and down 2% from the 4- week average.

**WHEAT S&D Projections Dec. 12, 2017 – Bearish against trade expectations...** USDA cut its US wheat export estimate today (after increasing it last month) to reflect a lagging sales pace. Exports were cut by 25 million bu to 975 million bu, resulting in a 25 million bu increase in **domestic ending stocks to 960 million bu.** This is **ABOVE the average pre-report trade estimate of 939 million bu.** The average U.S. wheat farm-gate price range is tightened to \$4.50-4.70/bu. **World wheat production is pegged 3.23 MMT higher this month at 755.21 MMT,** up 0.2% from last

year. **World wheat ending stocks are increased by 0.9 MMT this month to 268.4 MMT, up 5% from a year ago. This estimate is ABOVE the average pre-report trade estimate of 267 MMT.**

**Wheat Competitor / Buyer News** – USDA left their Australian and Argentine wheat harvest estimates unchanged this month at 21.5 MMT and 17.5 MMT, respectively. As expected, they raised Canadian production by 3 MMT to 30 MMT, in line with Stats Canada’s revised estimate. They also raised EU production by nearly 1 MMT to 152.5 MMT. USDA raised Russian and Ukrainian wheat export estimates this month by .5 MMT each to 33.5 MMT and 17.0 MMT, respectively. Sov Econ raised their Russian wheat production estimate from 83.9 MMT to 84.2 MMT and pegged the 2018 crop at 76.7 MMT. ABARE cut their Australian wheat export projection from 18.2 MMT to 16.8 MMT, based on smaller production prospects. Egypt purchased 295 TMT of Russian and Romanian wheat this week. Private exporters reported a sale of 120 TMT of US HRW wheat to Algeria this week.

**CORN** – USDA reported corn export sales were within trade expectations last week at 866.9 TMT, down 1% from the previous week and down 1% from the 4-week average. Corn export shipments last week totaled 690.8 TMT, up 17% from the previous week and the 4-week average.

**Ethanol corn usage** – DOE’s Energy Information Agency reported a downtick in weekly U.S. ethanol production after posting record production the previous week – down 20,000 bbls or 1.79% to 1,089,000 bbls per day but 4.7% above a year ago. Ethanol stocks decreased last week to 22.374 million bbls, still up 17% from a year ago. Weekly corn usage for ethanol remained very strong at 113.36 mbu, remaining above the pace needed to reach USDA’s revised estimate for MY 2017/18 of 5.525 billion bu.

**CORN S&D Projections Dec. 12, 2017 - Slightly bullish against trade expectations...** As expected, USDA did not adjust US corn harvested acres, yields or production this month. Also as expected, USDA raised ethanol usage by 50 million bu to a record 5.525 billion bu and cut ending stocks by an equal amount to 2.437 billion bu. This is **BELOW the average ending stocks estimate of 2.478 billion bu.** The average U.S. corn farm-gate price range is tightened to \$2.85-3.55/bu. **World corn production is pegged 0.85 MMT higher this month at 1,044.75 MMT, down 3% from last year. World corn ending stocks are increased by 0.4 MMT to 204.18 MMT, down 10% from last year but ABOVE the average pre-report trade estimate of 202.6 MMT.**

**Corn Competitor/Buyer News** – USDA left their Brazilian and Argentine corn production estimates unchanged this month at 95 MMT and 42 MMT, respectively. The average pre-report trade estimates for Brazilian production was 93.2 MMT and Argentina production was 41.8 MMT. CONAB pegged the Brazilian crop this week at 92.2 MMT. USDA raised their Chinese corn production estimate by 0.89 MMT to 215.89 MMT. USDA reported two large sales of U.S. corn to Mexico early this week.

<b>Futures Market trends this week</b>
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**WHEAT** – Wheat started the week moderately lower, posting fresh contract lows in the winter wheat contracts under pressure from weak export shipments. Prices continued in a downtrend on Tuesday after USDA lowered their US wheat export projection and raised ending stocks by 25 million bu in their monthly S&D projections. Wheat posted a nice reversal higher on Wednesday on short covering sparked by expanding drought conditions and increased stress on the HRW crop before it enters winter dormancy. Wheat extended its gains today (Thursday) on better than expected export sales. **Wheat futures contract closes on Thursday, 12/14/2017...**

	<b>Mar 2018</b>	<b>Week Change</b>	<b>May 2018</b>	<b>Week Change</b>	<b>July 2018</b>	<b>Week Change</b>
CHI SRW	\$4.18 <sup>1</sup> / <sub>4</sub>	Down \$0.00 <sup>3</sup> / <sub>4</sub>	\$4.30 <sup>3</sup> / <sub>4</sub>	Down \$0.01 <sup>1</sup> / <sub>2</sub>	\$4.43 <sup>1</sup> / <sub>2</sub>	Down \$0.02 <sup>1</sup> / <sub>4</sub>
KC HRW	\$4.18 <sup>1</sup> / <sub>4</sub>	Up \$0.00 <sup>1</sup> / <sub>4</sub>	\$4.31 <sup>1</sup> / <sub>4</sub>	Up \$0.00 <sup>1</sup> / <sub>4</sub>	\$4.47 <sup>1</sup> / <sub>2</sub>	Up \$0.00 <sup>1</sup> / <sub>2</sub>
MGE DNS	\$6.17	Up \$0.05 <sup>3</sup> / <sub>4</sub>	\$6.24 <sup>1</sup> / <sub>2</sub>	Up \$0.04 <sup>3</sup> / <sub>4</sub>	\$6.28 <sup>3</sup> / <sub>4</sub>	Up \$0.04 <sup>3</sup> / <sub>4</sub>

**CORN-** Corn posted modest losses to start the week under pressure from disappointing export shipments and improving chances of precipitation across Argentina and southern Brazil, but losses were trimmed by technical support. Corn finished modestly lower on Tuesday despite a slightly bullish S&D report for corn, showing lower than expected but still very large ending stocks. Bargain buying and short covering lifted corn prices modestly higher on Wednesday. Corn finished fractionally lower today (Thursday) on lackluster export sales. **Mar. 2018 contract closed on 12/14/2017 at \$3.48<sup>1</sup>/<sub>2</sub>, down \$0.04<sup>1</sup>/<sub>4</sub> for the week, May 2018 contract closed at \$3.56<sup>3</sup>/<sub>4</sub>, down \$0.04<sup>1</sup>/<sub>4</sub> for the week and July 2018 contract closed at \$3.65, down \$0.04<sup>1</sup>/<sub>4</sub> for the week.**

**CRUDE OIL** – Crude oil futures were pressured this week by a revised International Energy Agency production forecast showing U.S. crude oil production rising by 870,000 bpd in 2018, up from their November estimate of 790,000 bpd, coupled with speculation that some OPEC countries and allies like Russia are already looking for an exit strategy from

their agreed upon production curbs. The U.S. EIA reported domestic crude oil stocks fell 5.117 million bbls last week, compared to an expected decline of 3.8 million bbls. Distillate stocks fell by 1.37 million bbls, compared to an expected increase of 902,000 bbls. Gasoline stocks increased by 5.664 million bbls, compared to an expected increase of 2.5 million bbls. EIA reported U.S. production rose by 73,000 bpd last week to a new record high of 9.78 million bpd. At the current production pace, the **U.S. is expected to deliver up to 80% of the world's oil production gains through 2025. Crude oil futures (Dec) finished down \$0.74/bbl for the week to close at \$56.60/bbl.**

**Crop / Weather Conditions** – NOAA is predicting an 80% chance that La Nina will linger through the Northern Hemisphere 2018 Winter, which could mean good snow pack for Idaho mountains.

Argentine growing areas are expected to receive beneficial moisture in the extended outlook. Meanwhile, Southern Australia received more precipitation, interrupting winter grain harvest.

**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. **Pre-registration is requested: \$45 fee for one day or \$65 for both days. Register on-line at [www.cetrain.isu.edu/agtech](http://www.cetrain.isu.edu/agtech)**

**IBC WEBINAR SERIES...**

**RECORDED DEC. 14, 2017 GRAIN MARKETING WEBINAR...** Five Common Mistakes in Grain Marketing featuring Ed Usset, University of Minnesota Center for Farm Financial Management. Link at <https://umn.webex.com/umn/lsr.php?RCID=ae9df66dac774406b1dd375c7f9e2a30>

**RECORDED Dec. 1, 2017 WEBINAR...Winter 2018 Weather & Water Outlook** featuring Troy Lindquist, NWS Senior Hydrologist. Link at <https://vimeo.com/246010744>

**RECORDED March 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>