

**Idaho Grain Market Report, December 22, 2016**

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, December 21, 2016. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED</b>	<b>MALTING</b>	<b>Wheat (bu.) Milling</b>			
	<b>48 lbs or better</b>	<b>Open market malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg / Ririe	\$5.15		\$3.45	\$3.60	\$5.15	\$3.92
Idaho Falls	\$5.00	\$8.30 -8.33	\$3.35	\$3.70	\$5.05	\$3.80
Blackfoot / Pocatello		\$6.50	\$3.35	\$3.70	\$5.05	\$3.80
Grace / Soda Springs	\$5.50		\$3.41	\$3.51	\$5.11	\$3.71
Burley / Rupert	\$5.00		\$3.60	\$3.50	\$5.04	\$4.00
Hazelton						
Twin Falls / Buhl / Wendell	\$6.10		\$3.60			
Nampa – Weiser	\$5.95		\$3.26			
Nez Perce / Craigmont	\$3.75		\$3.56	\$4.05	\$5.64	
Lewiston	\$4.25		\$3.82	\$4.31	\$5.90	
Moscow / Genesee	\$3.75-4.25		\$3.59-3.78	\$4.08-4.22	\$5.67-5.81	\$4.22

**Prices at Selected Terminal Markets, cash prices FOB**

	<b>#2 Feed 46 lbs. -- unit trains barge</b>	<b>Malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			<b>Ord pro - \$4.44½ - 4.55 max 10.5% pro \$4.44½ -4.50</b>	\$4.79½ -5.04¼	\$6.44½ -6.64½	
Los Angeles	\$8.65-8.85					
Tulare	\$8.65-8.85					
Ogden	\$5.85		\$3.73	\$3.73	\$5.38	\$4.03
Great Falls	\$4.25-4.75	\$6.75		\$3.79-3.88 (12%)	\$5.14-5.37	
Minneapolis	\$4.17	NQ		\$4.54½ (12%)	\$6.54½ - 6.74½	

**Market trends this week**

**BARLEY** – Local feed barley prices ranged from steady to 25 cents higher this week, but mostly steady. Open market malting barley prices remained steady. USDA reported there were no barley export sales or shipments last week.

**WHEAT** – Local wheat prices were mixed this week: SWW prices ranged from minus 15 cents to plus 7 cents; HRW prices ranged from minus 15 cents to plus 2 higher; and DNS prices ranged from minus 10 cents to plus 5 cents. USDA reported wheat export sales last week were below trade expectations at 279.8 TMT, down 44% from the previous week and down 47% from the previous 4-week average. Wheat export shipments were better at 411.6 TMT, down 2% from the previous week but up 3% from the previous 4-week average. Cumulative U.S. wheat export shipments have now reached 55% of the USDA estimate for the marketing year, compared to a 5-year average pace of 55.3%.

**Wheat Competitor / Buyer News** – SovEcon reduced their Russian wheat export projection this week to 28.5 MMT, down 0.5 MMT, due to strong competitive from Argentina and Australia and a rising value of the ruble which makes their exports less competitive. Argentine Ag Minister raised their wheat production estimate this week from 14.9 MMT to 15.2 MMT, based on better than expected yields. Other local sources peg their crop as high as 15.7 MMT. India's Farmer Union has appealed to the the Indian government to reinstate wheat import tariffs and raise them to 40% to discourage

wheat imports. Indian customers purchased 50 TMT of Australian wheat this week. Egypt bought 180 TMT of Argentine, Russian and Romanian wheat this week, with Argentina being the cheapest origin, at least \$10/MT under Russia and U.S. prices. Taiwan purchased 93 TMT of US wheat this week. China has imported 3.15 MMT of wheat this year, with the US the second largest supplier after Australia.

**CORN** – USDA reported corn export sales were above trade expectations last week at 1.25 MMT, down 18% from the previous week and down 8% from the previous 4-week average. Corn export shipments were disappointing at 781 TMT, down 7% from the previous week and down 13% from the previous 4-week average. Cumulative U.S. corn export shipments have now reached 27.2% of the USDA estimate for the marketing year, compared to a 5-year average pace of 26.2%.

**Ethanol corn usage** – DOE's Energy Information Agency reported another uptick in U.S. ethanol production last week to 1,036,000 bbls per day, down 4,000 bpd or -0.4% from the previous week but up 6.5% from a year ago. Ethanol stocks fell slightly to 19.06 million bbls, down % below last year's inventory. Weekly corn usage topped 109.2 million bu, now well above the weekly pace needed to reach USDA's projection of 5.3 billion bu for MY 2016/17.

**Corn Competitor / Buyer News** – There is a wide range of Brazilian corn production estimates...AgRural organization pegged their corn crop at 88.3 MMT this week while Rabobank released a more modest but still strong estimate of 84 MMT, compared to USDA's current peg of 86.5 MMT. Brazil produced 66.9 MMT of corn last year. China anticipates cutting corn acres again in 2017 to help drawdown surplus government stocks. As part of this strategy, China has reduced their corn imports this year to only 3,025 MMT, down 34% from a year ago, with Ukraine supplying 88% of the total imports. Imports of DDGs also have been reduced as a result of new import duties, with imports only totaling 163.3 TMT last month, down 65% from the same period a year ago.

#### Futures Market trends this week

**WHEAT** – Wheat markets traded lower all week despite colder temperatures across US and eastern European winter wheat areas, with profit-taking pressures from a stronger dollar and big southern hemisphere crops which will add to the already burdensome world stocks. **Wheat market closes on Thursday, 12/22/2016...**

	<b>Mar 2017</b>	<b>Weekly Summary</b>	<b>May 2017</b>	<b>Weekly Summary</b>	<b>July 2017</b>	<b>Weekly Summary</b>
Chicago SRW	<b>\$3.97</b>	<b>Down \$0.12<sup>3</sup>/<sub>4</sub></b>	<b>\$4.10</b>	<b>Down \$0.11<sup>3</sup>/<sub>4</sub></b>	<b>\$4.24</b>	<b>Down \$0.10<sup>3</sup>/<sub>4</sub></b>
HRW	<b>\$4.08</b>	<b>Down \$0.06<sup>3</sup>/<sub>4</sub></b>	<b>\$4.19<sup>1</sup>/<sub>2</sub></b>	<b>Down \$0.07</b>	<b>\$4.31<sup>1</sup>/<sub>4</sub></b>	<b>Down \$0.07<sup>1</sup>/<sub>4</sub></b>
DNS	<b>\$5.35</b>	<b>Down \$0.09<sup>1</sup>/<sub>4</sub></b>	<b>\$5.32<sup>1</sup>/<sub>2</sub></b>	<b>Down \$0.08<sup>1</sup>/<sub>4</sub></b>	<b>\$5.35<sup>1</sup>/<sub>4</sub></b>	<b>Down \$0.08<sup>1</sup>/<sub>4</sub></b>

**CORN** – Corn modest losses all week under pressure from weaker than expected export shipments, higher dollar, demand concerns arising from the spread of bird flu across key Asian markets and beneficial rain moving across Argentina and Brazil this week helping to stabilize crop conditions. **Corn futures contract closes on Thursday, 12/22/16...** Mar 2017 contract at **\$3.47<sup>1</sup>/<sub>4</sub>**, down **\$0.09** for the week, May 2017 contract closed at **\$3.54**, down **\$0.09** for the week and the July 2017 contract closed at **\$3.61<sup>1</sup>/<sub>4</sub>**, down **\$0.09<sup>1</sup>/<sub>4</sub>** for the week.

**CRUDE OIL** – Crude oil prices chopped in a narrow range this week, with support from heightened geopolitical fears after the Berlin terrorist attack and assassination of a Russian ambassador in Turkey. But gains were capped by pressure from a higher dollar, an anticipated increase in oil pumping by Libya which was exempted from the recent OPEC production cuts and bigger than expected domestic stocks. The U.S. DOE Energy Information Agency reported domestic crude oil inventories increased by 2.256 million bbls compared to an expected decrease of 2.5 million bbls. Distillate stocks fell by 2.42 million bbls, while gasoline stocks fell by 1.309 million bbls. **Crude oil futures finished up \$1.05/bbl for the week to close at \$52.95.**

#### Weather / Crop Conditions –

**U.S.** – Cold wet conditions persisted across the PNW and Intermountain West, while the Northern tier and Midwestern regions were mostly dry and mild. Snow and rain were expected in these regions later in the week, which could ease dryness across parts of the Central and Southern Plains. The 6-10 day outlook calls for below normal temperatures across the west and near to above normal precipitation for much of the country.

#### INTERNATIONAL -

- **South America** – Argentina and Brazilian grain belts received beneficial moisture this week with more in the extended forecast. Parts of Southern Argentina which represent less than 20% of the crop remain adversely dry. Three more rain events are expected in the next 8 days.
- **Australia** – Harvest is wrapping up.

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