

Idaho Grain Market Report, April 9, 2015

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, April 8, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley</u> <u>(Cwt.)</u> <u>FEED</u> <u>48 lbs or</u> <u>better</u>	<u>MALTING</u>  <u>Open</u> <u>market</u> <u>malting</u>	<u>Wheat (bu.)</u> <u>Milling</u>  <u>#1 SWW</u>	<u>#1 HRW</u> <u>11.5% pro</u>	<u>#1 DNS</u> <u>14% pro</u>	<u>#1 HWW</u>
Rexburg/ Ririe/ Roberts	4.80 -\$4.90		\$5.63 – 5.90	\$5.46	\$6.54	\$5.60- 5.75
Idaho Falls	\$4.85	\$12.50- 12.75	\$5.86-6.16	\$5.71- 5.75	\$6.64 –6.81	\$5.75-5.81
Blackfoot / Pocatello	NQ	\$10.00	\$5.86	\$5.71	\$6.81	\$5.81
Grace / Soda Springs	\$4.85	NQ	\$5.88	\$5.26	\$6.21	\$5.26
Burley / Rupert	\$4.75 - 5.00	\$12.50	5.94-5.95	\$5.01	\$6.25	\$5.46
Hazelton						
Twin Falls / Buhl / Wendell	\$5.95– 6.00		<u>Feed wheat</u> \$3.55	NQ	NQ	
Nampa – Weiser	\$6.50	NQ	\$6.18	NQ	NQ	
Nez Perce / Craigmont	\$6.05		\$5.85	\$5.91	\$7.92	
Lewiston	\$6.55		\$6.10	\$6.16	\$8.17	
Moscow / Genesee	\$6.05 – 6.35		\$5.87 -6.03	\$5.93-6.07	\$7.94-7.98	\$6.24

Prices at Selected Terminal Markets, cash prices FOB

	<u>#2 Feed</u> <u>46 lbs. --</u> <u>unit</u> <u>trains barge</u>	<u>Malting</u>	<u>#1 SWW</u>	<u>#1 HRW</u> <u>11.5% Protein</u>	<u>#1 DNS</u> <u>14% Protein</u>	<u>#1 HWW</u>
Portland			Ord protein \$6.00 - 6.66¼ new crop \$6.20- 6.27¼ <b>max 10.5% pro</b> \$6.86¼ -7.16¼ new crop \$6.22¼ - 6.35	\$6.61¼-6.81¼ new crop \$6.56½-6.66½	\$8.40½ –8.85½ new crop \$7.32 - 7.42	
Los Angeles	\$8.50–8.70			\$8.11 (13%)		
Tulare	\$8.50– 8.70					
Ogden	\$5.60		\$6.17	\$5.55	\$6.55	\$5.75
Great Falls	\$4.50	\$12.00		\$5.66 –5.72 (12%)	\$6.31 – 6.69	
Minneapolis	\$5.83	NQ		\$6.01¼	\$7.55 -7.67½	

Market trends this week

**BARLEY** - Local feed barley prices ranged from minus 25 cents (north Idaho) to plus 5 cents, but mostly steady. Open market malting barley prices remained steady his week. USDA reported barley export sales last week totaled 100 MT to Taiwan. Barley export shipments were 300 MT to South Korea and Taiwan.

**USDA's BARLEY S&D Projections for MY 2014/15 – Apr. 9, 2015** - USDA cut domestic feed usage by 5 million bu to 40 million bu and raised ending stocks by an equal amount to 78 million bu. The average U.S. barley farm-gate price estimate was tightened to \$5.25-5.35/bu. **World barley production was raised slightly to 140.75 MMT, down 3% from a year ago.**

**WHEAT** – Wheat prices were mixed but mostly lower this week: local SWW prices ranged from minus 17 cents to plus 10 cents; HRW prices were down 6 to 20 cents; and DNS prices were down 9 to 38 cents. USDA reported wheat export sales were on on the high end of trade expectations last week at 356.7 TMT (219.9 TMT for MY 2014/15 and 36.8 TMT

for MY 2015/16), up 97% from the prior week and 16% from the previous 4-week average. Cumulative wheat export sales now tally 94.9% of the USDA's estimate for the year, compared to a 5-year average of 92.8%. Wheat export shipments were solid at 375.7 TMT, up 11% from the prior week but down 14% from the previous 4-week average.

**USDA's WHEAT S&D Projections for MY 2014/15 - Apr. 9, 2015** – This report was slightly supportive for wheat compared to trade expectations...USDA cut imports by 15 million bu to 145 million bu, increased seed usage by 2 million bu to 77 million bu and raised domestic feed usage, resulting in a **7 million bu cut in ending stocks to 684 million bu**. This was **BELOW** the average pre-report trade estimate of 694 million bu. The average farm-gate price for U.S. wheat was further tightened to a range of \$6.00-\$6.10/bu. **World wheat production was raised by 1.7 MMT this month to 726.5 MMT**. World ending stocks were cut by .5 MMT to 197.2 MMT this month, up 6% from the previous year.

**Wheat competitor / buyer news** – The EU granted wheat export licences for 189 TMT this week, bringing their cumulative wheat exports to 25.7 MMT, compared to 23.9 MMT for the same period a year ago. French wheat plantings are projected to increase by 3.4% this year and crop conditions are reported to be the best in several years. ABARE has cut their Australian wheat production estimate in MY 2015/16 to 24.4 MMT, based on expectations of El Nino event forming later this summer which would reduce moisture in the eastern and southern production regions of that country. Saudi Arabia bought 745 TMT of hard wheat this week, believed to be mostly German origin.

**CORN** – Corn export sales last week were above trade expectations at 702.5 TMT (639.6 TMT for MY 2014//15 and 62.9 TMT for MY 15/16), up 57% from the previous week and 45% from the prior 4-week average. Cumulative corn export sales now tally 83.2% of the USDA's estimate for the year, compared to a 5-year average of 83.8%. Corn export inspections also were stronger than expected at 1.17 MMT, up 71% from the previous week and 30% from the prior 4-week average.

**USDA's CORN S&D Projections for MY 2014/15 – Apr. 9, 2015** – This report was mildly supportive for corn against trade expectations... As widely expected USDA cut domestic feed usage by 50 million bu to 5.25 billion bu and **increased ending stocks by an equal amount to 1.827 billion bu**. This was **BELOW** the average pre-report trade estimate of 1.854 billion bu. The corn farm-gate price estimate was further tightened to a range of \$3.55-3.85/bu. **World corn production was increased by 2.3 MMT this month to 991.9 MMT**, due to larger Argentine production, and is slightly above (+0.3%) last year. World corn ending stocks were increased this month by 3.2 MMT to 188.5 MMT, up 10% from last year.

**Ethanol corn usage** – DOE's Energy Information Agency reported a downtick in weekly ethanol production last week to 936,000 bbls per day - down 16,000 bbls or 1.68% last week but 4.46% above a year ago. Corn used in ethanol totaled 98.2 million bu. U.S. ethanol inventories decreased slightly to 20.48 million bbls, about 25% above a year ago.

**Corn competitor / buyer news** – USDA raised their Argentine corn production estimate by 0.5 MMT to 24.0 MMT but left Brazilian production unchanged at 75 MMT. Mexican corn production was raised by 0.8 MMT to 24 MMT. Chinese corn imports were raised this month by 0.5 MMT to 3.0 MMT.

**Futures Market trends this week**

**WHEAT** – Wheat futures settled sharply lower to start the week on profit-taking pressures triggered by improving chances of rainfall this week and next in the driest areas of the Central Plains. Expectations of lower crop ratings limited the downside. Prices settled lower again on Tuesday and Wednesday as updated forecasts showed beneficial rainfall in the forecast for the driest parts of Kansas and pressure from a surging dollar. Despite a mostly friendly monthly S&D report today (Thursday), wheat finished solidly lower under pressure from a surging dollar and an active storm system moving through the Central U.S. **Wheat market closes on Thursday, 4/09/15...**

	<b>May 2015</b>	<b>Weekly Summary</b>	<b>July 2015</b>	<b>Weekly Summary</b>	<b>Sept 2015</b>	<b>Weekly Summary</b>
Chicago SRW	\$5.18¾	Down \$0.17½	\$5.17½	Down \$0.18¾	\$5.25½	Down \$0.18¾
KC HRW	\$5.51½	Down \$0.31¼	\$5.56¼	Down \$0.29¾	\$5.67¾	Down \$0.18¼
MGE DNS	\$5.74	Down \$0.20½	\$5.79	Down \$0.21¼	\$5.85½	Down \$0.22¼

**CORN** – Corn prices began the week edging fractionally lower on profit-taking pressure from improving moisture across the Corn Belt, but losses were limited by better than expected export shipments which topped 1 MMT last week and talk that China may begin importing U.S. corn again. Corn prices continued to slide on Tuesday in modest volume on mostly spillover pressure from wheat and a higher dollar. Weakness in crude oil and a surging dollar pushed corn prices moderately lower on Wednesday. Despite a mostly friendly monthly S&D report today (Thursday), corn finished modestly

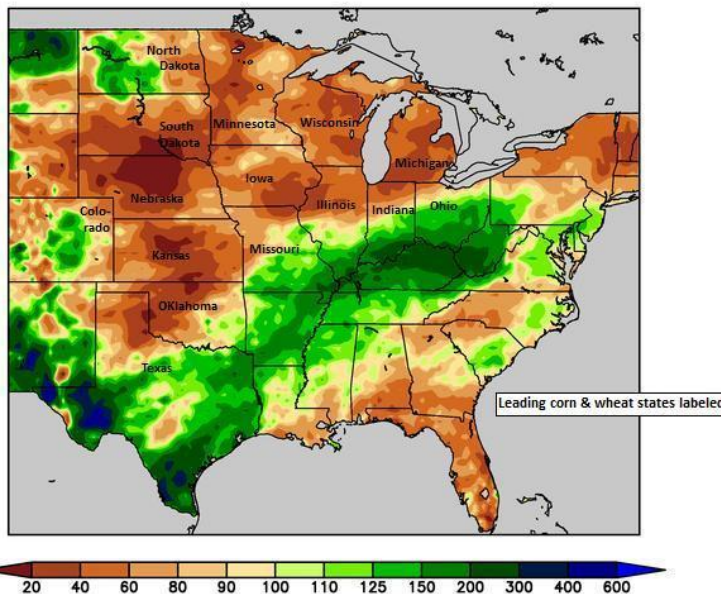
lower under pressure from sluggish demand and a higher dollar. **Corn futures contract closes on Thursday, 4/09/15... May 2015 contract at \$3.78, down \$0.08½ for the week, July 2015 contract closed at \$3.85¾, down \$0.08¾ and the Sept. 2015 contract closed at \$3.93½, down \$0.08¼ for the week.**

**CRUDE OIL** – Crude oil continued to see wide swings this week tied to the dollar and mixed views on how quickly Iranian oil would return to the world market after a preliminary nuclear deal was struck late last week. DOE continues to show large builds in domestic crude inventories...crude oil increased by a whopping 10.95 million bbls, compared to an expected increase of 3.0 million bbls. Distillates decreased by 250,000 bbls while gasoline stocks increased by 817,000 bbls. **Crude oil finished modestly higher today (Thursday) – up \$0.37 to close at \$50.42/bbl, which is up \$1.65 for the week.**

#### Weather/Crop Outlook –

- **U.S.** – U.S. winter wheat crop was rated 44% good/excellent, compared to 35% a year ago. Idaho's winter wheat crop was rated 63% good/excellent. Kansas' rating fell 6% from last week to 33% good/excellent, compared to OK at 43% and TX at 54%. **PNW** – Cool and rainy conditions were prevalent this week, bringing beneficial moisture to mostly dry winter wheat areas. Rain and snow showers dominated the northern Rockies, slowing spring planting in some areas. The 6-10 day outlook calls for cooler and wetter than normal across much of this region. **Great Plains** – Warm mostly dry to start the week accelerating winter wheat crop development, but conditions turned cooler and showery midweek which has slowed crop moisture demands. The nearby outlook calls for near to below normal temperatures and near to above normal moisture. **Northern Plains** – Cool and showery conditions prevailed bringing beneficial moisture to spring grain areas which had been trending dry. **Corn Belt** – An unstable trough of low pressure is entrenched in the mid section of the country, spinning a series of storms and bringing beneficial moisture to many areas that had experienced a dry winter, as documented in the precip map below. Conditions are expected to remain stormy through mid next week.

Martell Crop Projections  
45-day Precipitation Analysis  
Percent of normal through 5 April 2015



- **Europe** – Winter grain conditions remain mostly very favorable across the Western and Northern belts. Southern production regions saw mostly warm and sunny conditions favoring wheat and barley vegetative development.
- **Black Sea region** – Ukraine and Southern Russia continued to receive beneficial moisture this week, with moisture also moving into the Volga Valley which had been mostly dry. Southern Russia expects to see showery conditions for the next two weeks.
- **China** – The main winter wheat belt trended drier this week, after favorable rains in recent weeks.
- **Northern Africa** – Sunny warm conditions promoted winter grain development with crops in the reproductive stage.
- **Middle East** – Moderate to heavy showers are maintaining very favorable winter grain crop prospects.
- **South America** – Brazil continues to see favorable rainfall for second crop corn, while Argentina was mostly warm and dry which favored corn maturation and harvesting.
- **Australia** – Eastern region received widespread showers which are replenishing soil moisture ahead of winter grain planting.