

Idaho Grain Market Report, May 8, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 7, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u> <u>FEED</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$8.50	(2-R) NQ (6-R) NQ	\$6.36	\$7.36	\$7.07
Idaho Falls	\$8.75	(2-R) \$11.50-\$11.75 (6-R) \$11.50	\$6.65	\$7.46	\$7.37
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$7.00	\$7.70	\$7.50
Grace / Soda Springs	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Burley / Rupert Hazelton	\$7.50-\$8.50	(2-R) \$11.50 (6-R) \$11.50	\$6.30	\$7.26	\$7.16
Twin Falls / Eden / Buhl	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Weiser	\$8.52	(2-R) NQ (6-R) NQ	\$6.84	NQ	NQ
Nez Perce / Craigmont	\$8.00	(2-R) \$8.00 (6-R) \$8.00	\$7.06	\$7.70	\$7.60
Lewiston	\$8.80	(2-R) \$8.80 (6-R) \$8.80	\$6.95	\$8.05	\$8.10
Moscow / Genesee	\$7.60-\$7.95	(2-R) \$7.95 (6-R) \$7.95	\$6.72-\$7.14	\$7.74-\$8.12	\$7.64-\$7.97

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. -- unit trains barge	Single rail cars- domestic	Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	May \$7.90-\$8.07 ³ / ₄ Aug NC \$7.85 ¹ / ₂ - \$7.91 ¹ / ₂	May \$9.31 ¹ / ₂ -\$9.51 ¹ / ₂ Aug NC \$9.04 ³ / ₄ - \$9.19 ³ / ₄	May \$9.36 ¹ / ₂ -\$9.41 ¹ / ₂ Aug NC \$9.04 ¹ / ₄ -\$9.29 ¹ / ₄
Los Angeles	\$13.25	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$13.25	NQ	NQ	NQ	NQ	NQ
Ogden	\$9.15	NQ	NQ	\$6.70	\$7.59	\$7.50
Great Falls	\$6.25-\$6.50	NQ	\$9.50	NQ	\$7.35-\$7.58	\$7.32-\$7.80
Minneapolis	\$8.33	NQ	\$12.50	NQ	\$8.61 ¹ / ₂ (12%)	\$9.26 ¹ / ₂ -\$9.46 ¹ / ₂

Market trends this week

BARLEY – Local barley prices were mostly higher this week with southern Idaho locations reporting no change to 25 cents higher and northern Idaho reporting 25 cents higher. USDA reported that barley export sales totaled 1.2 TMT (.2 TMT for MY 2013/14 and 1 TMT for MY 2014/15) and export shipments totaled .4 TMT last week.

WHEAT – WHEAT – Local wheat prices were mixed this week: SWW ranged from 5 cents lower to 55 cents higher; HRW ranged from 6 cents lower to 85 cents higher; and DNS ranged from 2 cents lower to 64 cents lower. USDA reported wheat export sales last week were within trade expectations at 445.5 TMT (320.5 TMT for MY 2013/14 and 125 TMT for

MY 2014/15), up 49% from the previous week and 26% from the prior 4 week average. Wheat export shipments last week totaled 526.6 TMT, down 22% from the previous week and 8% from the prior 4 week average.

Wheat Supply and Demand Projections – Here are the average trade estimates for Friday’s USDA WASDE Grain Supply and Demand Report:

Old crop (MY 2013/14) ending stocks – 558 million bu, up 5 million bu from April USDA estimate of 583 million bu
 New crop (MY 2014/15) production – 2.046 billion bu, down from last year’s 2.130 billion bu.
 New crop (MY 2014/15) ending stocks – 553 million bu.

CORN – Corn export sales last week were well below trade expectations at 282.3 TMT (161.3 TMT for MY 2013/14 and 121 TMT for MY 2014/15), down 83% from the previous week and 77% from the prior 4 week average. Corn export shipments last week totaled 1.4 MMT, up 16% from the previous week and 11% from the prior 4 week average.

Ethanol corn usage – DOE’s Energy Information Agency reported another modest downtick in weekly ethanol production ...declining 4,000 bbls to 894,000 bbls per day – down 0.45% from the previous week but up 6% from last year. Weekly corn usage was estimated at 93.9 mbu, with a cumulative use of 3.29 billion bu.

Corn Supply and Demand Projections – Here are the average trade estimates for Friday’s USDA WASDE Grain Supply and Demand Report:

Old crop (MY 2013/14) ending stocks – 1.314 billion bu, down 17 million bu from April USDA estimate of 1.331 billion bu
 New crop (MY 2014/15) ending stocks –1.672 billion bu, down from February USDA projections of 1.9 billion bu.

Corn Competitor/Buyer News – Last weekend BARE estimated that Argentine corn harvest was 25% completed, compared to 43% the previous year. Ukraine has reportedly shipped a total of 18.8 MMT of corn this season, but the recent shipping pace has slowed from nearly 3 MMT in March to 2.2 MMT in April.

Futures Market trends this week

WHEAT – Wheat futures traded sharply higher on Monday and Tuesday on support from fresh tension and violence in eastern Ukraine and record setting heat moving through the Central and Southern Plains this week, further stressing the HRW wheat crop. Wheat prices closed mixed on Wednesday under profit-taking pressures and positioning ahead of Friday’s key USDA S&D report for the new MY 2014/15. Wheat finished mixed to modestly lower today (Thursday) on profit-taking ahead of Friday’s report and some easing in Ukrainian-Russian tensions. The weather outlook remains mixed for next week. **Wheat market closes on Thursday, 5/08/14 ...**

	<u>July 2014</u>	<u>Weekly Summary</u>	<u>Sept 2014</u>	<u>Weekly Summary</u>	<u>Dec. 2014</u>	<u>Weekly Summary</u>
Chicago SRW	\$7.35 ¼	Up \$0.19 ¼	\$7.43 ¾	Up \$0.19 ½	\$7.57 ¼	Up \$0.19 ½
KC HRW	\$8.42 ½	Up \$0.20 ¾	\$8.45 ¾	Up \$0.22 ¼	\$8.53 ¾	Up \$0.26
MGE DNS	\$8.05 ¾	Up \$0.30 ¾	\$8.13	Up \$0.30 ¼	\$8.22 ½	Up \$0.28 ¾

CORN – Corn posted solid gains to start the week in spillover support from wheat and strong export inspections which are now running ahead of the pace needed to reach USDA’s export projections for the year. Prices continued to advance on Tuesday in sympathy with wheat and ideas that final corn planted acres might be lower than USDA’s March 31 intensions estimate due to slow planting progress across the northern belt. Prices eased back on Wednesday on fund selling tied to warmer planting weather this week and positioning ahead of Friday’s S&D projections. Corn rebounded modestly today on concerns about further planting delays into early next week (Thursday). **Corn futures contract closes on Thursday, 5/08/2014... July 2014 contract at \$5.16 ½, up \$0.17 for the week, Sept. 2014 contract closed at \$5.13 ¼ , up \$0.17 ¼ and the Dec. 2014 contract closed at \$5.11 ½, up \$0.17 ½ for the week.**

US WEATHER / CROP OUTLOOK –

EI Nino Watch - NOAA says there is a 65% Chance of EI Nino weather pattern forming by summer 2014, based on evidence of sea surface temperatures warming during April. If and when EI Nino develops is a closely watched event as it's associated with trend to above-trend corn yields.

West – Cooler showery conditions prevailed for most of the week as a major storm system tracked across the region early in the week. A second system is expected to arrive by the end of the week bringing cooler than normal temperatures. Plains – Record-setting heat blanketed the Central and Southern Plains this week, further stressing an already deteriorating HRW wheat crop. The winter wheat crop tour conducted last week revealed serious crop losses in

both Kansas and Oklahoma, with the Kansas crop pegged at only 260 million bu, the worst since 1996, with an average yield of only 35.0 bpa, down 18% from last year. Informa has pegged the Kansas HRW wheat crop higher at 310 million bu. **The 5-day weather maps show potential for some precipitation and cooler temps in the nearby outlook, but badly needed moisture will likely bypass the drought-stricken Western Plains.** Spring wheat planting continues to lag across the Northern Plains, at only 29% completed vs. 10- year average of 51%. **Midwest Corn Belt** – A warming trend this week accelerated planting progress across the Corn Belt, except for areas of the Northern Plains and Upper Midwest where planting progress remains slow. By late week a trough of low pressure in the southwest was spinning out waves of showers into the Upper Midwest, bringing cooler temps and some precipitation and seere thunderstorms. Planting in most areas was expected to be interrupted by the weekend, with planting progress estimated at 40% done by Sunday. The 6-10 day outlook shows near to below normal rainfall and cooler than normal temperatures.

USDA Crop Progress / Condition Report, May 5, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	46% planted	33%	42%	44%			
ID barley	87% planted	81%	80%	68%			
US spring wheat	26% planted	18%	21%	41%			
ID spring wheat	95% planted	93%	80%	73%			
US winter wheat	29% headed	18%	19%	35%	31% g/ex 38% p/vp	33% g/ex 34% p/vp	32% g/ex 39% p/vp
ID winter wheat	-- headed	--	--	--	87%	88%	
Corn	29% planted	19%	11%	42%			

INTERNATIONAL WEATHER/CROP OUTLOOK –

- **Canada** – Spring planting is advancing, with periodic showers boosting soil moisture for good crop germination.
- **Europe** – Recent heavy rainfall has boosted grain prospects in Germany and across Central and Eastern Europe.
- **Black Sea** – Showery conditions continue to boost grain crop conditions across Ukraine and southern Russia.
- **Northern Africa** – Dry weather favored grain crop maturation in Algeria and Tunisia and harvesting across Morocco.
- **Middle East** – Recent rains in Turkey slowed summer crop planting and arrived too late to benefit maturing winter wheat. Scattered showers have maintained favorable wheat and barley crop prospects in Iran.
- **China** – Warm mostly dry conditions have benefitting filling winter wheat across the North China Plains, while heavy showers have boosted crop prospects in Hunan and Sichuan.
- **Australia** – Recent rainfall has improved winter grain planting conditions across eastern and southern regions, while cool showery weather has promoted early winter crop planting in Western Australia.

CRUDE OIL – Crude oil prices chopped in a narrow range this week, with support from Ukrainian tensions and an unexpected decline in crude inventories. DOE’s weekly inventory report showed crude oil stocks fell by 1.78 million bbls last week, compared to an expected increase of 1.25 million bbls. Distillates decreased by 447,000 bbls; while gasoline stocks increased by 1.608 million bbls. **Crude oil futures finished \$0.51 lower to close at \$100.26 on Thursday.**