

## Idaho Grain Market Report, July 11, 2014

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 9, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u>	<u>MALTING</u>	<u>Wheat (bu.)</u>		
	<u>FEED</u> Feed	Open market malting	#1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro
Ashton	NQ	(2-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$7.50	(2-R) NQ (6-R) NQ	\$5.40 NC	\$5.75 NC	\$6.17 NC
Idaho Falls	\$7.50 - \$8.00	(2-R) \$11.46-\$11.75	\$5.13	\$6.29	\$6.42
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$5.60 NC	\$6.44 NC	\$6.53 NC
Grace / Soda Springs	\$8.48	(2-R) NQ (6-R) NQ	\$5.56	\$5.94	\$6.22
Burley / Rupert Hazelton	\$7.50	(2-R) \$11.46	\$5.45-5.48	\$5.80	\$6.18
Twin Falls / Eden / Buhl	\$7.25 – 10.00	(2-R) NQ (6-R) NQ	\$5.20-5.65	NQ	NQ
Weiser	\$7.75 NC	(2-R) NQ (6-R) NQ	\$5.83 NC	NQ	NQ
Nez Perce / Craigmont	\$7.55	(2-R) \$7.35 (6-R) \$7.35	\$6.38	\$7.18	\$7.38
Lewiston	\$8.05	(2-R) \$8.30 (6-R) \$8.30	\$6.63	\$7.43	\$7.63
Moscow / Genesee	\$7.08 - \$7.55	(2-R) \$7.55 (6-R) \$7.55	\$6.40-6.54	\$7.20-7.45	\$7.40-7.64

### 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
Portland	NQ	NQ	July \$6.51¼ -6.96 ¼ Aug NC \$6.69 ¼ -6.96 ¼	July \$7.43¼ - 7.53 ¼ Aug NC \$7.43 ¼ -7.53¼	July \$7.97¼ - 8.97¼ Aug NC \$7.67¼ -8.17¼
Los Angeles	\$12.15 -12.40	NQ	NQ	\$8.98 (13%)	NQ
Stockton	NQ	NQ	NQ	NQ	NQ
Tulare	\$12.15 -12.40	NQ	NQ	NQ	NQ
Ogden	\$7.85 NC	NQ	\$5.85 NC	\$6.40 NC	\$6.83 NC
Great Falls	\$6.25-6.50	\$9.00	NQ	\$5.95 \$6.04 (12%)	\$6.48-6.53
Minneapolis	\$6.77	\$11.77	NQ	\$6.73¼ (12%)	\$8.47¼ - 8.57¼

### Market trends this week

**BARLEY** – Local barley prices were 50 cents to a \$1.00 lower this week. USDA reported net export sales of 700 MT, to Taiwan and the Philippines. Barley export shipments last week totaled 600 MT, all to Taiwan.

**USDA's BARLEY S&D Projections for MY 2014/15 – July 11** – USDA made minor changes to the barley balance sheet this month, cutting production by 9 million bu to 187 million bu, cutting domestic feed use by 10 million bu to 50 million bu and cutting ending stocks by 2 million bu to 80 million bu. The projected 2014 farm-gate price range was tightened on both ends to a range of \$4.40-\$5.20. World barley production was increased by 900 TMT this month to 131.9 MMT, due to improving prospects for Ukraine, but down 9% from last year. World barley ending stocks were increased by nearly 800 TMT this month to 18.8 MMT, down 19% from last year.

**WHEAT** – Local wheat prices were mostly lower this week: SWW prices ranged from unchanged to 57 cents lower; HRW prices ranged from 20 to 70 cents lower; and DNS prices ranged from 12 cents to 47 cents lower. USDA reported wheat

export sales were below trade expectations last week at 338.1 TMT, including 50.5 TMT to Brazil. Wheat export shipments totaled 394.7 TMT last week.

**USDA's WHEAT S&D Projections for MY 2014/15 – July 11 -** As expected, **USDA increased 2014 wheat production estimate this month by 50 million bu to 1.992 billion bu, ABOVE the average pre-report trade estimate of 1.969 billion bu.** USDA cut domestic feed usage by 15 million to 145 million bu and cut exports by 25 million bu to 900 million bu, resulting in a 86 million bu increase in wheat ending stocks to 660 million bu, **ABOVE the average pre-report trade estimate of 591 million bu.** The average farm gate price for U.S. wheat was lowered to a range of \$6.00-\$7.20/bu. World wheat production was increased by almost 4 MMT this month to 705.2 MMT, down 1% from last year, while world wheat ending stocks were increased by 1 MMT this month to 189.5 MMT, up 3% from last year.

**Wheat Competitive/Buyer News** –European wheat crop s estimated at 147.8 MMT, the third highest since 1984. Poor monsoonal rains across India have prompted the Indian government to suspend selling state owned wheat reserves which have been moving into export channels. USDA pegged the Indian wheat crop unchanged at 95.85 MMT this month.

**CORN** – USDA reported corn export sales were on the low end of trade expectations at 744.6 TMT (363 TMT for MY 13/14 and 281.6 TMT for MY 14/15). Corn export shipments last week totaled 1.207 MMT, up 33% from the previous week and 15% above the 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported weekly ethanol production slipped last week – down 34,000 bpd to 938,000 bbls per day – down 2.4% from the previous week but up 5.2% from last year. Cumulative corn usage totals 4.17 bbu, short of USDA projection for the current marketing year.

**USDA's CORN S&D Projections for MY 2014/15 – July 11** –USDA cut their harvested acreage estimate this month by 0.5 million acres to 83.5 million but left their average yield estimate unchanged at 165.3 bpa, resulting in **a 75 million bu cut in production to 13.86 billion bu,** down 0.5% from last year. They also increased corn beginning stocks by 100 million bu to 1.246 billion bu., in line with their June 30 quarterly stocks estimate, and cut domestic feed usage by 50 million bu to 5.2 billion bu, **resulting in a 75 million bu increase in ending stocks to 1.801 billion bu. This was ABOVE the average pre-report trade estimate of 1.774 billion bu.** The corn farm-gate price estimate was tightened on both ends this month to a range of \$3.65-4.35/bu. World corn production was cut slightly this month to 980.96 MMT, but **world corn ending stocks were increased by more than 5 MMT to 188.1 MMT, up 8% from last year due to bigger stocks in China and Brazil.**

**Corn Competitor/Buyer News** – CONAB raised their Brazilian old crop corn estimate to 78.2 MMT this week, which is line with USDA's revised estimate of 78 MMT.

**Futures Market trends this week**

**WHEAT** – Wheat continued to grind lower to fresh contract lows as winter wheat harvest advanced northward and reports of better than expected yields in many areas and favorable spring wheat growing conditions that remained mostly cool and showery across the Northern Plains. European wheat prices also sagged to fresh lows which added bearish pressure. Wheat posted extended its losses on Thursday, reversing early gains from short covering ahead of Friday's monthly S&D report. **Wheat market closes on Thursday, 7/10/14 ...**

	<b>July 2014</b>	<b>Weekly Summary</b>	<b>Sept 2014</b>	<b>Weekly Summary</b>	<b>Dec. 2014</b>	<b>Weekly Summary</b>
Chicago SRW	\$5.36 ¾	Down \$0.31 ¼	\$5.48 ½	Down \$0.31	\$5.70 ½	Down \$0.33 ¼
KC HRW	\$6.55 ½	Down \$0.41 ½	\$6.47 ¼	Down \$0.40	\$6.57 ¾	Down \$0.39 ¼
MGE DNS	\$6.40	Down \$0.20 ¾	\$6.41	Down \$0.31 ½	\$6.52	Down \$0.30 ¼

**CORN** –Corn gapped lower this week to four year lows under pressure from continued active fund selling triggered by nearly ideal growing conditions projected over the next two weeks during the critical pollination period and rising yield expectations. Technically corn has moved into extreme oversold condition which might support a turnaround if attention can shift away from its current preoccupation with above trend line yield expectations. Some analysts are dialing in yield projections above 170 bpa but most did not expect USDA to make an adjustment in Friday's S&D report. Corn finished lower again on Thursday, pressured by lackluster weekly export sales and ethanol production and positioning ahead of Friday's S&D report. **Corn futures contract closes on Thursday, 7/10/2014... July 2014 contract at \$4.00½, down \$0.16½ for the week, Sept. 2014 contract closed at \$3.86¼, down \$0.13¼ and the Dec. 2014 contract closed at \$3.92¾, down \$0.22½.**

**CRUDE OIL** – Crude oil futures ground lower this week, posting 10 consecutive day losses which represents the longest losing streak on record. Pressure came from expectations that Libyan oil exports would rebound and lesser focus on geopolitical risk premiums arising from lingering conflicts in Ukraine and Iraq moved out of the daily headlines. By mid-week the risk premium was back on the front burner as Israeli military actions against the Gaza Strip escalated. DOE reported that crude oil inventories decreased 2.37 million bbls, in line with expectations. By contrast, distillates increased by 2.27 million bbls, compared to expected build of 1.4 million bbls; while gasoline stocks increased by 579,000 bbls, compared to an expected decline of 400,000 bbls. **Crude oil futures finished modestly higher at \$102.93 on Thursday.**

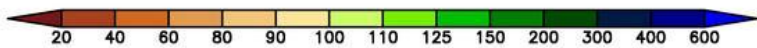
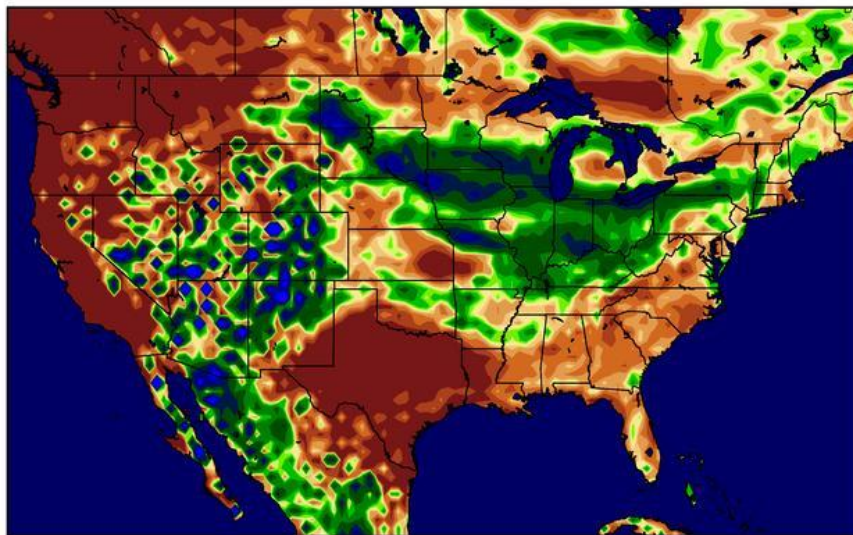
**US WEATHER / CROP OUTLOOK –**

**West** – Hot and mostly dry conditions prevailed across this region, further stressing rain-fed wheat crops across Washington and Oregon. **Plains** – Conditions turned mostly drier early this week, allowing harvest to accelerate across the Central and Southern Plains. Showers moved through Central Kansas mid week, as farmers struggled with a difficult harvest season but showers have replenished soil moisture for fall planting. **Midwest Corn Belt** – Strong showers persisted across a wide swath of the Northern Corn Belt, causing localized flooding and unfavorable ponding conditions. Temperatures cooled significantly across the Midwest this week, with the extended forecast calling for cool temps and intermittent showers. A favorable drying trend was expected across the northern belt into next week. The 6-10 day and 8-14 day forecasts remain very favorable for pollinating corn.

Martell Crop Projections

7-day GFS Precipitation Forecast (pct of normal)

7 July 2014 – 13 July 2014



**USDA Crop Progress / Condition Report, July 7, 2014**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	61% headed	31%	48%	44%	68%	68%	66%
<b>ID barley</b>	<b>82% headed</b>	<b>68%</b>	<b>57%</b>	<b>51%</b>	<b>86%</b>	<b>86%</b>	
US spring wheat	47% headed	26%	41%	47%	70%	70%	72%
<b>ID spring wheat</b>	<b>84% headed</b>	<b>61%</b>	<b>64%</b>	<b>50%</b>	<b>68%</b>	<b>72%</b>	
US winter wheat	57% harvested	43%	55%	60%	31% g/ex 44% p/vp	30% g/ex 44% p/vp	34% g/ex 42% p/vp
<b>ID winter wheat</b>	<b>0% harvested</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>83%</b>	<b>78%</b>	
Corn	15% silking	5%	6%	18%	75%	75%	68%

**INTERNATIONAL WEATHER/CROP OUTLOOK –**

- **Europe** – Widespread locally heavy rainfall slowed winter grain maturity, disrupted harvest and raised quality concerns

across much of Europe, stretching from the UK into Eastern Europe.

- **Ukraine** – A fresh round of showers slowed crop maturity and harvest this week **and** raised some quality concerns.
- **Russia** – After soaking rains last week, drier weather favored winter grain drydown and harvesting.
- **China** – Widespread monsoonal rains benefitted summer crops, although pocket of dryness persisted in some areas, particularly in the northeastern production region where showers have been spotty.
- **Argentina** – Wet weather lingered over parts of the northeastern production region, but drier conditions elsewhere promoted corn harvesting, which was estimated to be 59% done compared to 91% last year.
- **Brazil** – Unfavorably wet weather persisted across parts of southern production region.
- **Australia** – Intermittent showers and sunny conditions persisted across the western and southeastern regions, creating favorable conditions for winter grains, while dryness continued across northern region of New South Wales and Queensland.
- **Canada** – Unfavorable wetness persisted across eastern prairies, as depicted below, slowing spring grain development and causing serious flooding and crop damage in some areas. Some local sources estimate that crop damage is likely to be worse than was incurred in 2010 when 14% of the wheat crop was lost to flooding. Weber Commodities in Canada is estimating that as much as 6 million acres of planted crops may be lost.

