

Idaho Grain Market Report, July 16, 2015

Published weekly by the Idaho Barley Commission, kolson@barley.idaho.gov, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 15, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley</u> <u>(Cwt.)</u> FEED <u>48 lbs or</u> <u>better</u>	<u>MALTING</u> <u>Open</u> <u>market</u> <u>malting</u>	<u>Wheat (bu.)</u> Milling <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	\$5.70		\$5.55	\$5.00	\$5.80	\$5.53
Idaho Falls	\$5.25	\$11.46-11.75	\$5.60	\$5.50	\$5.90	\$5.60
Blackfoot / Pocatello	NQ	\$10.00	\$5.60	\$5.85	\$6.20	\$5.85
Grace / Soda Springs	\$5.40	NQ	\$5.63	\$4.95	\$6.01	
Burley / Rupert	\$5.95	\$11.46	\$5.55	\$4.74	\$6.69	\$5.34
Hazelton						
Twin Falls / Buhl / Wendell	\$6.75-7.00		\$5.65	NQ	NQ	
			Feed wheat			
			\$4.20			
Nampa – Weiser	\$6.00	NQ	\$5.85	NQ	NQ	
Nez Perce / Craigmont	\$6.05		\$5.45	\$5.37	\$5.99	
Lewiston	\$6.55		\$5.70	\$5.62	\$6.24	
Moscow / Genesee	\$6.05-6.25		\$5.47 – 5.55	\$5.39-5.51	\$6.01-6.18	\$5.51

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	#1 HWW
Portland			Ord protein New crop \$6.26¾ -6.35 max 10.5% pro New crop \$6.91¾ 7.11¾	New crop \$6.14- 6.39	New crop \$6.79½ 7.04½	
Los Angeles	\$8.00-8.15			NQ (12%)		
Tulare	\$8.00-8.15					
Ogden	\$6.10		\$6.10	NQ	\$6.54	\$5.59
Great Falls	\$5.00	\$11.00		\$5.00-5.09 (12%)	\$5.45-5.74	
Minneapolis	\$5.73	NQ		\$5.89	\$6.99½-7.29½	

Market trends this week

BARLEY - Local feed barley prices ranged from 25 to 90 cents higher this week, while open market malting barley prices were steady to 25 cents lower. USDA reported net reduction in barley export sales last week of 1 300 MT to Canada. Barley export shipments totaled 400 MT to Taiwan and South Korea.

WHEAT – Wheat prices traded lower this week: SWW prices ranged from 10 to 17 cents lower; HRW prices ranged from 21 to 42 cents lower; and HRS prices ranged from 30 to 42 cents lower. USDA reported wheat export sales were below trade expectations last week at 291.5 TMT, down 16% from the previous week. Wheat export shipments last week also were sluggish at 286.8 TMT, up 7% from the previous week.

Wheat competitor / buyer news – Strategie Grains lowered their EU soft wheat production estimate this week by 0.7 MMT to 140.9 MMT, due to dry hot weather. Egypt bought 120 TMT of Romanian wheat and 115 TMT of Russian wheat this week, with U.S. price offers still running about \$50 above Black Sea origins. Ukraine reports a strong export pace in the new marketing year, with wheat exports topping 130 TMT in the first half of July.

CORN – USDA reported corn export sales were above trade expectations at 655.2 TMT, but hit an old crop marketing year low (331.1 TMT for MY 14/15 and 324.1 TMT for MY 15/16). Corn export shipments last week were better at 1.132 MMT, up 17% from the previous week.

Ethanol corn usage – DOE's Energy Information Agency reported a slight downtick in weekly ethanol production – down 3,000 or 0.3% from the previous week to 984,000 bbls per day, which is up 4.35% from a year ago. Corn used in ethanol production last week totaled 103.3 million bu, above the weekly pace of 97 million bu needed to reach the USDA's projected use of 5.175 billion bu for the marketing year. Cumulative ethanol use has topped 4.36 billion bu. U.S. ethanol stocks rose modestly to 19.74 million bbls, up 10% from a year ago.

Corn competitor / buyer news – USDA Ag Attache is projecting the Brazilian corn crop at 82 MMT based on very strong second corn crop potential. Brazilian corn exports remain strong with prices reported to be \$.30 lower than US offers. Talk this week that the Argentine government will increase the amount of corn approved for export based on strong production prospects as harvest winds down. Strategie Grains lowered their EU corn production estimate this week by 0.7 MMT to 66.7 MMT, due to dry hot weather.

Futures Market trends this week

WHEAT – Wheat prices began the week mixed to lower on Monday under pressure from ample global stocks and noncompetitive U.S. prices on world markets, reinforced by sluggish export shipment pace which is off to a slow start in the new marketing year (7.3% versus 5-year average of 11.3%). Prices continued to erode lower on Tuesday and Wednesday on advancing harvest hedge pressure and improving spring wheat conditions. Better crop weather in Europe and Canada also weighed on priced. Wheat finished lower again on Thursday under pressure from poor export demand and spillover weakness in soybeans. **Wheat market closes on Thursday, 7/16/15...**

	Sept 2015	<u>Weekly Summary</u>	Dec 2015	<u>Weekly Summary</u>	Mar 2016	<u>Weekly Summary</u>
Chicago SRW	\$5.62 ³ / ₄	Down \$0.13 ³ / ₄	\$5.71	Down \$0.12 ¹ / ₂	\$5.79	Down \$0.12
KC HRW	\$5.53 ³ / ₄	Down \$0.19	\$5.73	Down \$0.19 ¹ / ₄	\$5.86 ³ / ₄	Down \$0.19 ¹ / ₂
MGE DNS	\$5.82	Down \$0.25 ¹ / ₂	\$5.98 ¹ / ₄	Down \$0.23 ¹ / ₄	\$6.11 ³ / ₄	Down \$0.20 ¹ / ₂

CORN – Corn futures posted moderate gains to start the week, reaching 13 month highs, as the nearby weather forecast continues to call for above normal precipitation across parts of the Eastern Corn Belt where soils are already saturated. Better than expected export inspections also provided support. Corn prices reversed lower on Tuesday on profit-taking pressures sparked by improving extended weather forecasts which show warmer and drier conditions. Corn is pollinating in generally favorable conditions across the Corn Belt. Prices finished moderately lower on Wednesday in choppy two sided trading active fund selling on ideas that the recent rally had been overdone. Corn finished slightly higher today (Thursday), with early gains eroding into the close on technical and spillover weakness. **Corn futures contract closes on Thursday, 7/16/15... Sept 2015 contract at \$4.30, down \$0.04³/₄ for the week, Dec. 2015 contract closed at \$4.41, down \$0.04 and the Mar. 2016 contract closed at \$4.51, down \$0.03³/₄ for the week.**

CRUDE OIL – Crude oil prices continued to chop in a narrow trading range this week in the face of global economic uncertainties and ideas that the Iranian nuclear agreement will result in a surge in Iranian oil production and exports in 2016. DOE reported another substantial reduction in domestic crude oil inventories – down 4.346 million bbls compared to an expected decline of 1.9 million bbls. By contrast distillates increased by 3.819 million bbls and gasoline stocks increased by 58,000 bbls. **Crude oil settled moderately lower on Thursday – down \$0.50/bbl to close at \$50.91/bbl which was down 1.83/bbl for the week.**

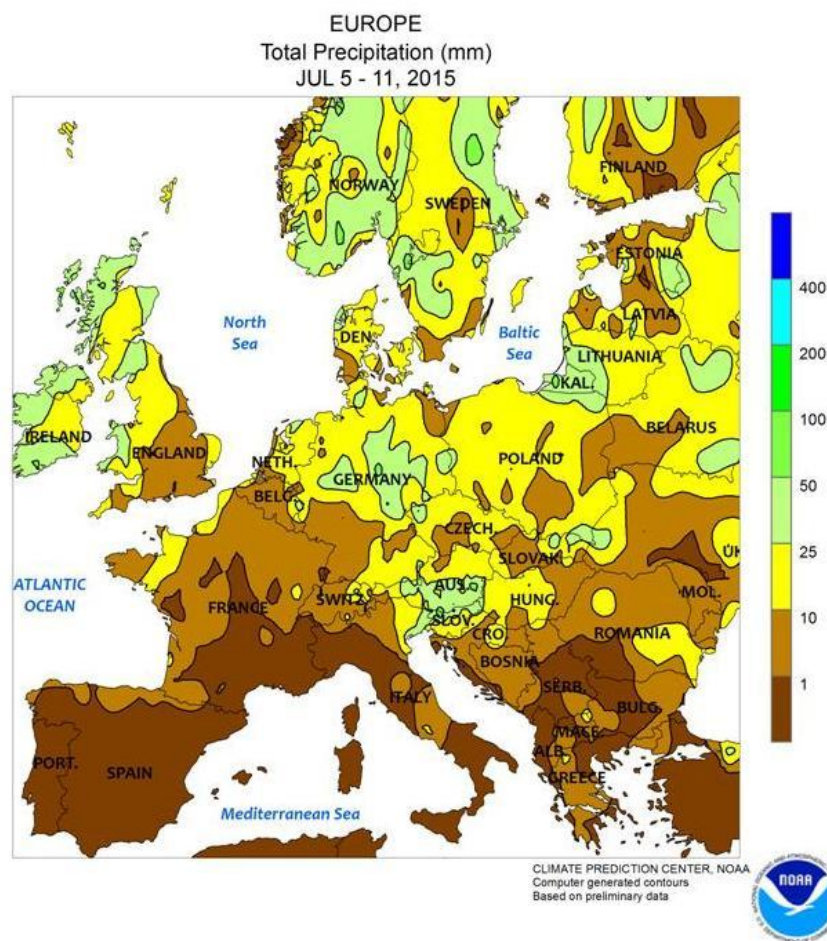
USDA Crop Progress / Condition Report, July 13, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	95% headed	84%	80%	69%	72% g/ex	73%	64%
ID barley	95% headed	81%	95%	76%	89% g/ex	89%	
US spring wheat	91% headed	76%	66%	66%	71% g/ex	70%	70%
ID spring	91%	84%	93%	73%	76% g/ex	79%	

wheat	headed						
US winter wheat	65% harvested	55%	67%	68%			
ID winter wheat	7% harvested	3%	3%	1%	59%	79%	
Corn	27% silking	12%	31%	34%	69%	69%	76%

Weather/Crop Outlook –

- **U.S.** – Milder temperatures and widely scattered showers were predominant across the Interior Northwest. A wide band of showers stretched from Kansas northward through the Dakotas, interrupting winter wheat harvest in many areas but improving soil moisture for spring grains and corn. Conditions were mostly dry across the Southern Plains. Thunderstorms continued to deliver heavy showers across the Central and Eastern Corn Belt, centered on MO, southern IL, IN and OH where soils are already saturated. **The 6-10 outlook** – Below normal temperatures persist across the Interior Northwest but a High Pressure Ridge brings favourably warm and mostly dry conditions across the Central and Eastern Corn Belt.
- **Canada** – After a very dry June where most areas received less than half of normal precipitation, the Western Canadian Prairies saw favorable moisture this week with strong localized thunderstorms, which should stabilize spring grain yields.
- **Europe** – Temperatures have moderated but many areas remain adversely as depicted in the weather map below.



- **Black Sea region** – Conditions remain mostly favorable for strong crop prospects with local estimates suggesting the wheat crop will reach 58 to 60 MMT, compared to USDA's estimate last week of 57 MMT.
- **China** – Two tropical cyclones brought heavy rains across Eastern China.
- **South America** – Locally heavy showers persisted across Southern Brazil, causing some flooding. Argentina was mostly warm and dry which aided winter grain planting.
- **Australia** – Southeastern Australia has seen some recent beneficial showers while Western Australia remains mostly dry.