

Idaho Grain Market Report, July 17, 2014

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, July 16, 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	\$5.38	\$5.75	\$6.13
Idaho Falls	\$7.50 - \$8.00	(2-R) \$10.42-\$11.75	\$5.41	\$5.84	\$6.52
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$5.60	\$6.18	\$6.24
Grace / Soda Springs	\$7.65	(2-R) NQ (6-R) NQ	\$5.53	\$5.77	\$6.13
Burley / Rupert Hazelton	\$6.75 -7.50	(2-R) \$10.42	\$5.45-5.53	\$5.72	\$6.13
Twin Falls / Eden / Buhl	\$7.25 – 8.30	(2-R) NQ (6-R) NQ	\$5.00-5.60	NQ	NQ
Weiser	\$8.00	(2-R) NQ (6-R) NQ	\$5.58	NQ	NQ
Nez Perce / Craigmont	\$6.55	(2-R) \$6.55 (6-R) \$6.55	\$6.05	\$6.55	\$7.40
Lewiston	\$7.05	(2-R) \$7.05 (6-R) \$7.05	\$6.30	\$6.80	\$7.65
Moscow / Genesee	\$6.55- 7.33	(2-R) \$6.55 (6-R) \$6.55	\$6.07-6.23	\$6.57-6.76	\$7.42-7.43

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 \$6.38 – 7.00 Aug NC \$6.78 – 6.90	July \$7.27¼ - 7.37¼ Aug NC \$7.27¼ -7.37¼	July \$7.78 - 8.28 Aug NC \$7.48 - 8.08
Los Angeles	\$10.35–10.60	NQ	NQ	\$8.73 (13%)	NQ
Stockton	NQ	NQ	NQ	NQ	NQ
Tulare	\$10.35-10.60	NQ	NQ	NQ	NQ
Ogden	\$8.00	NQ	\$5.90	\$6.00	\$6.60
Great Falls	\$5.50-5.75	\$9.50	NQ	\$5.62-5.80 (12%)	\$6.13-6.54
Minneapolis	\$6.25	\$11.67	NQ	NQ	\$8.08-8.28

Market trends this week

BARLEY – Local barley prices were 50 cents to a \$1.00 lower this week. USDA reported net export sales of 500 MT last week, all to Taiwan. Barley export shipments last week totaled 300 MT, all to South Korea.

WHEAT – Local wheat prices were mostly lower this week: SWW prices ranged from unchanged to 24 cents lower; HRW prices ranged from 8 to 63 cents lower; and DNS prices ranged from plus 2 cents to 55 cents lower. USDA reported wheat export sales were on the low end of trade expectations last week at 320.7 TMT. Wheat export shipments totaled 417.4 TMT.

Wheat Competitive/Buyer News – Local reports indicate that as much as 2 million acres of grain crops were NOT planted in Canada due to prolonged wetness in late spring. The EU granted export licenses on 151 TMT of wheat, bringing their cumulative wheat exports in the new Marketing Year 2014/15 to 501 TMT. EU is expected to overtake the U.S. as the world's largest wheat exporter this year. Turkey purchased 235 TMT of wheat this week, with origins including Russia, Ukraine, Romania and France.

CORN – USDA reported corn export sales were above trade expectations at 1.068 MMT (573.7 TMT for MY 13/14 and 495 TMT for MY 14/15), up 58% from the previous week. Corn export shipments last week totaled 907.9 TMT, down 25% from the previous week and 16 below the 4-week average.

Ethanol corn usage – DOE's Energy Information Agency reported weekly ethanol production rebounded last week, gaining 16,000 bpd to 943,000 bbls per day – up 1.7% from the previous week and 7.6% from last year. Cumulative corn usage is now on pace to slightly exceed USDA's projection for the current marketing year.

Corn Competitor/Buyer News – Reports this week that China is not likely to approve any new GMO corn traits this year, including MIR162 which triggered significant amount of corn exports from the U.S. to be rejected by China. China sold 473 TMT of state owned corn reserves out of 502 TMT offered for sale.

Futures Market trends this week

WHEAT – Wheat experienced choppy trading this week, with pressure from advancing winter wheat harvest offset by short covering triggered by fresh risk premium arising from geopolitical events in the Middle East and along the Ukrainian and Russian border. Wheat prices rebounded solidly higher today (Thursday), on short covering and spillover support.

Wheat market closes on Thursday, 7/17/14 ...

	Sept. 2014	Weekly Summary	Dec. 2014	Weekly Summary	Mar. 2015	Weekly Summary
Chicago SRW	\$5.50 ¾	Up \$0.23 ½	\$5.73 ½	Up \$0.25 ½	\$594 ¾	Up \$0.25 ¼
KC HRW	\$6.49	Up \$0.12 ¾	\$6.60	Up \$0.13 ¼	\$6.67 ¼	Up \$0.13 ¾
MGE DNS	\$6.37	Up \$0.09	\$6.48	Up \$0.08	\$6.61	Up \$0.04 ¼

CORN – Corn chopped in a narrow range this week with continued pressure from nearly ideal growing conditions during pollination. Corn posted modest gains today (Thursday) on spillover support and short covering from oversold technical condition. **Corn futures contract closes on Thursday, 7/17/2014.. Sept. 2014 contract at \$3.79½, up \$0.01¼ for the week, Dec. 2014 contract closed at \$3.87¼, up \$0.02½ and the Mar. 2015 contract closed at \$4.07½, up \$0.11½.**

CRUDE OIL – Crude oil futures ground lower to start the week, but turned higher on fresh risk premium arising from Israel's expanding ground offensive against the Gaza Strip and a missile downing of a commercial airliner over the Ukrainian and Russian border on Thursday. A much bigger than expected reduction in oil inventory also provided underlying support. DOE reported that crude oil inventories decreased 5.75 million bbls, compared to expected decline of 2.75 million bbls. Distillates increased by 2.528 million bbls, compared to expected build of 2.0 million bbls; while gasoline stocks increased by 171,000 bbls, compared to an expected increase of 950,000 bbls. **Crude oil futures finished sharply higher today on fresh geopolitical risk premiums – up \$1.99 to 103.19 on Thursday.**

US WEATHER / CROP OUTLOOK –

West – Hot and dry conditions persisted with the onslaught of a rash of forest fires started by dry lightning. Isolated showers and flash flooding covered parts of eastern Idaho, which resulted in some crop damage. **Plains** – Cooler and mostly dry conditions allowed harvest to rapidly advance northward. **Midwest Corn Belt** – Scattered showers and well below normal temperatures covered most of the Midwest this week. The 6-10 day forecast calls for above normal temperatures and rainfall for most of the Corn Belt except for the Western Corn Belt which is expected to see below normal rainfall.

USDA Crop Progress / Condition Report, July 14, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	83% headed	61%	72%	67%	64%	68%	65%
ID barley	97% headed	82%	75%	72%	79%	86%	
US spring wheat	69% headed	47%	67%	68%	70%	70%	70%
ID spring wheat	95% headed	84%	78%	70%	71%	68%	
US winter wheat	69% harvested	57%	66%	68%			
ID winter wheat	4% harvested	0%	0%	0%			
Corn	34% silking	15%	15%	33%	76%	75%	66%

INTERNATIONAL WEATHER/CROP OUTLOOK –

- **Canada** – Above normal temperatures were welcome news for areas which have suffered slow crop development due to excessive wetness and cooler than normal conditions.
- **Europe** – Rainfall continues to disrupt harvest in many areas and elevated concerns about potential quality losses. Yield expectations remain high.
- **Ukraine** –Southern region was warmer and drier, accelerating harvest.
- **Russia** – Warm and drier weather favored winter grain harvesting.
- **China** – Widespread monsoonal rains continued to benefit summer crops, with expectations of record yields.
- **Argentina** – Wet weather persisted in southern regions, delaying corn harvest and winter grain planting. Harvest and planting advanced in northern regions.
- **Brazil** – Southern region saw relief from recent wetness.
- **Australia** –Western and southeastern regions continued to see favorable conditions for winter grains, while dryness continued across northern region of New South Wales and Queensland. Australian meteorologists are now projecting that the El Nino weather cycle is likely to be a mild episode, which is consistent with the conditions on the ground there.