# Idaho Grain Market Report, July 24, 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 23, 2014. Barley prices in $/Cwt. and wheat prices in $/bu.**

| | Barley (Cwt.) FEED | MALTING | Wheat (bu.) | | |
|---|---|---|---|---|---|
| | 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 | NQ | (2-R) NQ<br>(6-R) NQ | NQ | NQ | NQ |
| Idaho Falls | $8.00 | (2-R) $10.42 | $5.33 | $5.28 | $6.16 |
| Blackfoot / Pocatello | NQ | (2-R) $10.00<br>(6-R) $10.00 | $5.40 | $6.03 | $6.24 |
| Grace / Soda Springs | $7.30 | (2-R) NQ<br>(6-R) NQ | $5.40 | $5.81 | $6.19 |
| Burley / Rupert Hazelton | $6.75 | (2-R) $10.42 | $5.45-5.54 | $5.58 | $6.07 |
| Twin Falls / Eden / Buhl | $7.50 – 7.85 | (2-R) NQ<br>(6-R) NQ | $4.50-5.45 | NQ | NQ |
| Weiser | $8.00 | (2-R) NQ<br>(6-R) NQ | $5.90 | NQ | NQ |
| Nez Perce / Craigmont | $6.80 | (2-R) $6.80<br>(6-R) $6.80 | $6.00 | $6.54 | $7.40 |
| Lewiston | $7.30 | (2-R) $7.30<br>(6-R) $7.30 | $6.025 | $6.79 | $7.65 |
| Moscow / Genesee | $6.80 - 7.33 | (2-R) $6.80<br>(6-R) $6.80 | $6.02-6.19 | $6.56-6.80 | $7.42-7.48 |

**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 $6.30¾ – 7.00¾<br>Aug NC $6.75¾ – 6.95 ¾ | July $7.13½ - 7.38½<br>Aug NC $7.13½ -7.38½ | July $7.91 - 8.21<br>Aug NC $7.61 - 8.01 |
| Los Angeles | $10.35–10.60 | NQ | NQ | $8.58 (13%) | NQ |
| Stockton | NQ | NQ | NQ | NQ | NQ |
| Tulare | $10.35-10.60 | NQ | NQ | NQ | NQ |
| Ogden | $7.65 | NQ | $5.80 | $6.03 | $6.54 |
| Great Falls | $5.75 | $8.75 | NQ | $5.43-5.60 (12%) | $6.01-6.46 |
| Minneapolis | $6.04 | $11.67 | NQ | $6.43 ½ | $8.31-8.81 |

**Market trends this week**

**BARLEY** – Local barley prices were mixed: trading in a range of minus 45 cents to plus 25 cents. USDA reported no export shipments or export sales for last week.

**WHEAT –** Local wheat prices were mostly lower again this week: SWW prices ranged from plus 1 cent to minus 50 cents; HRW prices ranged from plus 4 cents to minus 56 cents; and DNS prices ranged from plus 6 cents to minus 21 cents. USDA reported wheat export sales were within trade expectations last week at 443.2 TMT. Wheat export shipments last week totaled 551.7, up 32% from the previous week. Cumulative wheat export shipments in MY 2014/15 now total 13.2% of the yearly projection, compared to 12.6% on average.

**Wheat Competitive/Buyer News –** Egypt bought 225 TMT of wheat from Russia, Ukraine and Romania this week. Pakistan and Indonesia also reportedly purchased Russian wheat this week. India's monsoonal rains have significantly improved across the entire country, but are still running 35% below normal.

**CORN** – USDA reported corn export sales were once above trade expectations at 1.434 MMT (291.5 TMT for MY 13/14 and 1.143 MMT for MY 14/15), up substantially from the previous week. Corn export shipments last week totaled 992.5 TMT, up 9% from the previous week but down 1% from the 4-week average.

**Ethanol corn usage –** DOE's Energy Information Agency reported another strong rebound in weekly ethanol production, gaining another 16,000 bpd to 959,000 bbls per day – up 1.7% from the previous week and 12.4% from last year. Cumulative corn usage is estimated to have reached 4.37 billion bu compared to the yearly projection of 5.075 billion bu.

**Futures Market trends this week**

**WHEAT –** Wheat began the week modestly lower in choppy trading in the fave of improving winter wheat harvest yields as harvest progresses northward. Strong spring wheat crop tour projections also added pressure. Wednesday saw a modest lift to prices on a fresh surge of geopolitical risk combined with spillover support from rising soybeans. Wheat prices finished modestly lower again today (Thursday), as domestic and world markets appear to have ample stocks to meet demand. **Wheat market closes on Thursday, 7/24/14** …

| | Sept. 2014 | Weekly Summary | Dec. 2014 | Weekly Summary | Mar. 2015 | Weekly Summary |
|---|---|---|---|---|---|---|
| Chicago SRW | **$5.28¾** | **Down $0.03 ½** | **$5.50¼** | **Down $0.06** | **$5.72¾** | **Down $0.05** |
| KC HRW | **$6.20½** | **Down $0.13 ¼** | **$6.34¼** | **Down $0.11½** | **$6.42¼** | **Down $0.10¼** |
| MGE DNS | **$6.19¾** | **Down $0.10 ½** | **$6.27¼** | **Down $0.12 ¾** | **$6.39** | **Down $0.12¾** |

**CORN** – Corn chopped lower to start the week as markets remained focused on favorable pollination weather and the potential for record corn yields this year. Prices rebounded modestly on Wednesday on a combination of fresh technical buying and soybean spillover support, but gains could not be sustained as corn finished lower again today (Thursday) in choppy sideways tradining. Pressure came from favorable crop conditions and benign weather for the next two weeks. **Corn futures contract closes on Thursday, 7/24/2014… Sept. 2014 contract at $3.61½, down $0.09¾ for the week, Dec. 2014 contract closed at $3.69½, down $0.09 and the Mar. 2015 contract closed at $3. 81¼, down $0.09¼.**

**CRUDE OIL** – Crude oil futures chopped in a fairly narrow range this week, supported by geopolitical risk premium and strengthening manufacturing in boith China and the U.S., but offset by a stronger dollar. DOE reported that crude oil inventories decreased more than expected last week – down 3.969 million bbls, compared to expected decline of 2.9 million bbls. Distillates increased by 1.636 million bbls, compared to expected build of 2.0 million bbls; while gasoline stocks increased by 3.379 million bbls, compared to an expected increase of 1.0 million bbls. **Crude oil futures finished down $1.05 today (Thursday) to close at $102.07.**

**US WEATHER / CROP OUTLOOK –**

**West –** Hot and dry conditions prevailed across this region early in the week but gave way to cooler temperatures mid week. A warming trend is expected to re-establish by the weekend. **Plains** – Dry and cooler conditions prevailed, with strong showers across parts of the Southern Plains (Texas and Oklahoma) which is significantly improving fall winter wheat planting conditions. **Midwest Corn Belt** –Warm temperatures gave way to very cool temperatures mid week, reducing evaporation and helping to conserve soil moisture. A Low Pressure system is expected to spin out a band of showers across the Central and Eastern Corn Belt this weekend, but the Western Corn Belt looks mainly dry. The 6-10 day outlook calls for mostly cool and dry conditions.

**USDA Crop Progress / Condition Report, July 21, 2014**

| Crop | % Progress | Previous Week | Previous Year | 5-Year Average | Condition rating % good/excellent | Previous Week | Previous Year |
|---|---|---|---|---|---|---|---|
| US barley | 92% headed | 83% | 89% | 86% | 66% | 64% | 65% |
| **ID barley** | **100% headed** | **97%** | **93%** | **90%** | **80%** | **79%** | |
| US spring wheat | 84% headed | 69% | 83% | 85% | 70% | 70% | 68% |
| **ID spring wheat** | **100% headed** | **95%** | **90%** | **87%** | **68%** | **71%** | |
| US winter wheat | 75% harvested | 69% | 74% | 75% | | | |
| **ID winter wheat** | **7% harvested** | **4%** | **2%** | **2%** | | | |
| Corn | 34% silking | 15% | 15% | 33% | 76% | 75% | 66% |

**INTERNATIONAL WEATHER/CROP OUTLOOK –**

- **Canada** – Drier and warmer conditions persisted, helping to advance grain development.
- **Europe –** Quality **c**oncerns over excessive moisture at harvest are mounting. France reports winter grain harvest is 30% completed while German harvest is 15% completed.
- **Ukraine –** Showers continue to maintain favorable growing conditions for summer crops. Winter wheat harvest is advancing with intermittent interruptions.
- **Russia –** Dry weather prevailed across much of Western Russia, allowing winter grain harvest to advance, but heat stress was a concern to reproductive corn. Central Russia and Kazakhstan enjoyed favorably cool and rainy conditions, which is improving spring grain yield prospects.
- **China –** Northeastern corn production region continues to receive beneficial moisture.
- **Argentina** – Central region received heavy rainfall which is hampering corn harvest and winter grain planting.
- **Brazil –** Wet conditions returned to southern wheat areas.
- **Australia –**Widespread light to moderate showers continue to deliver favorable moisture throughout much of the country. Metereologists believe there is a 60% chance of below normal rainfall in coming months along the northeastern production zone due to a weak El Nino cycle.