

**Idaho Grain Market Report, August 6, 2015**

Published weekly by the Idaho Barley Commission, [kolson@barley.idaho.gov](mailto:kolson@barley.idaho.gov), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 5, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED 48 lbs or better</b>	<b>MALTING Open market malting</b>	<b>Wheat (bu.) Milling #1 SWW</b>	<b>#1 HRW 11.5% pro</b>	<b>#1 DNS 14% pro</b>	<b>#1 HWW</b>
Rexburg/ Ririe/ Roberts	\$4.95-5.50		\$4.92-5.30	\$4.45	\$5.17	\$4.95-5.00
Idaho Falls	\$5.85	\$11.25-11.46	\$4.85-5.25	NQ	\$5.05	\$4.65
Blackfoot / Pocatello	NQ	\$9.00	\$4.85	NQ	NQ	\$4.65
Grace / Soda Springs	\$5.60	NQ	\$5.22	\$4.42	\$5.17	
Burley / Rupert	\$6.00-6.30	\$11.46	\$5.22-5.50	\$4.19	\$5.02	\$4.79
Hazelton						
Twin Falls / Buhl / Wendell	\$6.25-7.00		\$5.15	NQ	NQ	
			<b>Feed wheat</b>			
			\$4.20			
Nampa – Weiser	\$6.70	NQ	\$5.37	NQ	NQ	
Nez Perce / Craigmont	\$5.55		\$4.87	\$4.80	\$5.31	
Lewiston	\$6.05		\$5.12	\$5.05	\$5.50	
Moscow / Genesee	\$5.55-6.50		\$4.89 –5.02	\$4.82-4.89	\$5.32-5.50	\$4.89

**Prices at Selected Terminal Markets, cash prices FOB**

	<b>#2 Feed 46 lbs. -- unit trains barge</b>	<b>Malting</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			Ord protein \$5.42 - 5.57 <b>max 10.5% pro</b> \$6.29 6.37	\$5.44½ - 5.74½	\$5.95½ - 6.15½	
Los Angeles	\$8.30-8.70			\$7.45 (12%)		
Tulare	\$8.30-8.70					
Ogden	\$6.50		\$5.60	\$4.65	\$5.70	\$4.90
Great Falls	\$5.00	\$10.00		\$4.30-4.45 (12%)	\$4.72-5.13	
Minneapolis	\$5.10	NQ		\$5.19½	\$6.15½ –6.25½	

**Market trends this week**

**BARLEY** - Local feed barley prices ranged from 5 cents lower to 25 cents higher, with northern Idaho prices ranged from minus 50 cents to plus 25 cents. Open market malting barley prices were steady to \$1.00 lower, under pressure from strong yields and good quality in the 2015 harvest. USDA reported 15 TMT of barley export sales to Morocco last week, but no barley export shipments.

**WHEAT** – Wheat prices traded mixed to mostly lower this week: SWW prices ranged from minus 8 cents to plus 30 cents; HRW prices ranged from minus 9 cents to plus 9 cents; and HRS prices ranged 7 to 18 cents lower. USDA reported wheat export sales were above trade expectations last week at 840.8 TMT, up 20% from the previous week and 82% above the 4-week average. Cumulative wheat export sales have reached 33% of the USDA estimate for the year compared to a 5-year average of 37%. Wheat export shipments last week totaled 314.5 TMT, down 14% from the previous week and 16% from the 4-week average.

**Wheat competitor / buy news** – EU granted wheat export licenses for 372 TMT this week, bringing cumulative wheat exports in the new marketing year 2015/16 to 2 MMT. Despite heat and moisture stress during the growing season,

private sources indicate that France will harvest a record wheat crop as high as 38.9 MMT. Right now, the EU is projecting their overall wheat crop will fall from 156.45 MMT last year to less than 140 MMT this year. There was talk this week that France is exporting wheat to Mexico. The RussianAg Minister raised their overall grain production estimate by 1.5 MMT to 101.5 MMT, based on favorable harvest reports. Ukrainian wheat harvest is also pegged higher at 25 MMT, compared to USDA's estimate last month of 24 MMT. Ukraine expects total grain exports will be strong this year at 36 MMT. By contrast, Argentine wheat acres are expected to fall this year, with production pegged at 10.0-10.5 MMT, compared to USDA's estimate last month of 11.5 MMT and last year's 12.5 MMT. Egypt purchased 120 TMT of Russian wheat this week. Saudi Arabia tendered to buy 495 TMT of optional origin hard wheat this week.

**CORN** – USDA reported corn export sales were very disappointing and a marketing year low of net reduction of 2.7 TMT for MY 2014/15 and 277 TMT for MY 2015/16, down appreciably from the previous week and 4-week average. Corn export shipments last week were better at 1.005 MMT, down 6% from the previous week and down 7% from the 4-week average.

**Ethanol corn usage** – DOE's Energy Information Agency reported another downtick in weekly ethanol production – down 4,000 bbls or 0.4% from the previous week to 961,000 bbls per day, which is up 6.5% from a year ago. Corn used in ethanol production last week totaled 100.9 million bu, above the weekly pace of 99.2 million bu needed to reach the USDA's projected use of 5.2 billion bu for the marketing year. U.S. ethanol stocks were down 2% to 19.2 million bbls, up 5.4% from a year ago. The U.S. exported a record amount of DDGs in June – 1.31 MMT – mostly to China.

**Corn competitor / buyer news** – The EU has cut their corn production forecast by 2.9 MMT to 65.5 MMT, compared to last year's record 75 MMT. Ukraine's corn crop is now pegged at 28.5 MMT, compared to USDA's estimate last month of 26 MMT. Brazil exported 1.28 MMT of corn in July, up sharply from the previous month's exports of only 136.7 TMT and only 591.7 TMT for the same period a year ago. South Korea was an aggressive buyer of optional origin corn this week, with mills buying more than 331 TMT. Taiwan purchased 130 TMT of Brazilian corn this week.

#### Futures Market trends this week

**WHEAT** – Wheat prices posted modest losses to begin the week, under spillover pressure from corn and beans and spring wheat harvest hedging. An early rally attempt on Tuesday gave way to fund selling that emerged late in the session, with prices closing modestly lower as increased spring wheat activity and lower European wheat prices weighed on the markets. Early spring wheat harvest reports show good yield and quality. Wheat rebounded moderately higher on Wednesday and extended gains today (Thursday), boosted by short covering triggered by extreme oversold technical condition and slightly lower dollar. Better than expected export sales provided underlying support today. **Wheat market closes on Thursday, 8/06/15...**

	<b>Sept 2015</b>	<b>Weekly Summary</b>	<b>Dec 2015</b>	<b>Weekly Summary</b>	<b>Mar 2016</b>	<b>Weekly Summary</b>
Chicago SRW	\$5.07	Up \$0.07 <sup>3</sup> / <sub>4</sub>	\$5.11 <sup>1</sup> / <sub>4</sub>	Up \$0.06 <sup>1</sup> / <sub>2</sub>	\$5.18 <sup>1</sup> / <sub>2</sub>	Up \$0.08
KC HRW	\$4.89 <sup>1</sup> / <sub>2</sub>	Down \$0.02 <sup>3</sup> / <sub>4</sub>	\$5.10	Down \$0.02	\$5.23 <sup>1</sup> / <sub>2</sub>	Down \$0.02 <sup>1</sup> / <sub>4</sub>
MGE DNS	\$5.18 <sup>1</sup> / <sub>2</sub>	Down \$0.05	\$5.34 <sup>1</sup> / <sub>2</sub>	Down \$0.06 <sup>1</sup> / <sub>2</sub>	\$5.51 <sup>1</sup> / <sub>2</sub>	Down \$0.06 <sup>3</sup> / <sub>4</sub>

**CORN** – Corn futures finished lower to start the week, under continued fund selling pressure sparked by favorable weather forecasts and ideas that the crop condition rating could be higher this week. Corn bounded modestly higher on Tuesday on short covering sparked by an oversold technical conditions and a drier and warmer extended weather outlook. Corn continued to post modest gains on Wednesday on fresh short covering ahead of next week's S&D report which the trade believes will show lower crop production. Corn prices closed modestly lower today (Thursday) under pressure from profit-taking and fund selling sparked by very disappointing export sales. **Corn futures contract closes on Thursday, 8/06/15...** Sept 2015 contract at \$3.69<sup>3</sup>/<sub>4</sub>, down \$0.01<sup>1</sup>/<sub>4</sub> for the week, Dec. 2015 contract closed at \$3.80<sup>1</sup>/<sub>2</sub>, down \$0.00<sup>3</sup>/<sub>4</sub> and the Mar. 2016 contract closed at \$3.91<sup>1</sup>/<sub>2</sub>, down \$0.00<sup>1</sup>/<sub>2</sub> for the week.

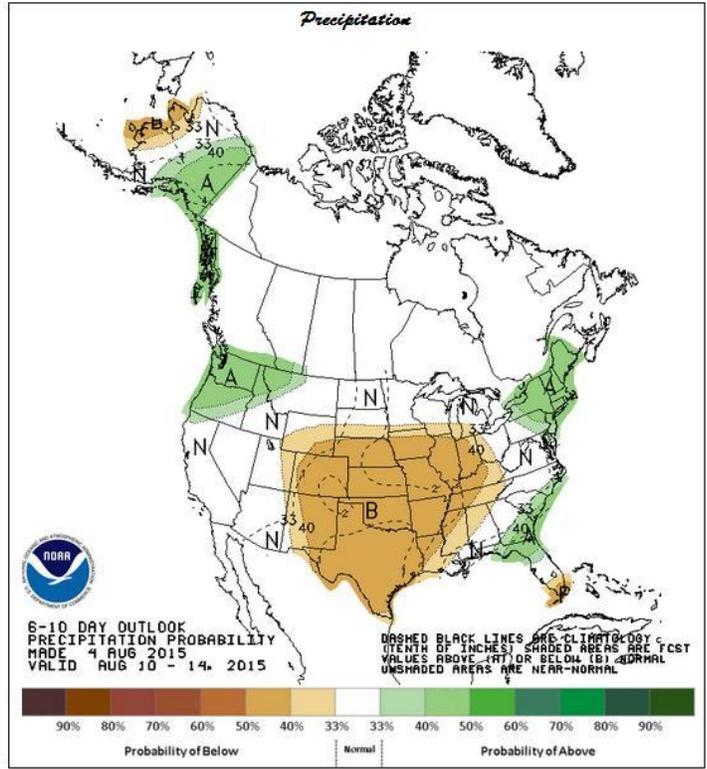
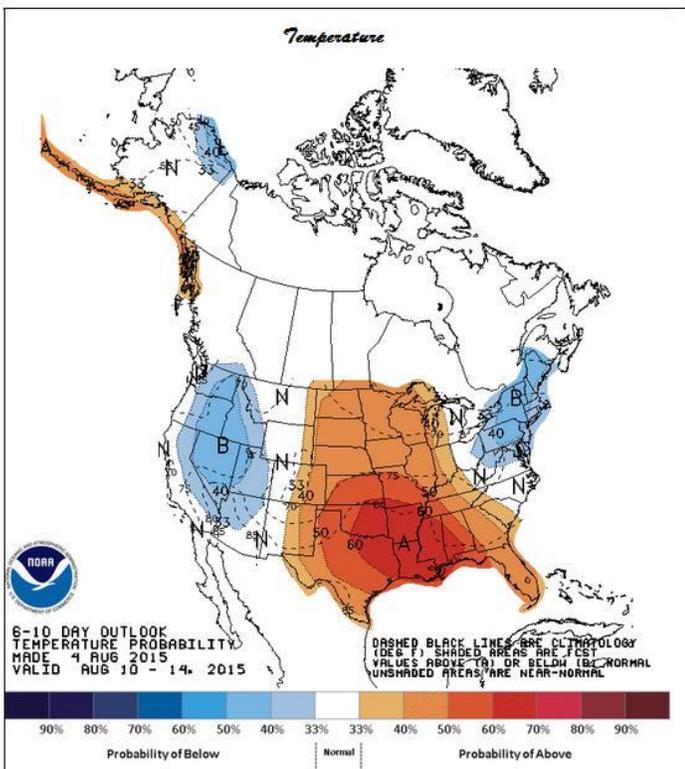
**CRUDE OIL** – Crude oil prices continued under intense pressure this week on growing concerns about a Chinese economic slowdown amidst an oversupplied world crude oil market. DOE reported another larger than expected decline in weekly crude oil inventories – down 4.4 million bbls compared to an expected decrease of 1.4 million bbls. Distillates increased by 709,000 bbls compared to an expected build of 1.6 million bbls, while gasoline stocks increased by 811,000 bbls, compared to an expected decline of 600,000 bbls. **Crude oil settled moderately lower on Thursday – down \$0.49/bbl to close at a six-month low of \$44.66, down up \$2.46/bbl for the week.**

**USDA Crop Progress / Condition Report, August 3, 2015**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	17% harvested	5%	7%	8%	68% g/ex	69%	66%
ID barley	22% harvested	13%	11%	6%	86% g/ex	87%	
US spring wheat	8% harvested	2%	3%	11%	70% g/ex	71%	70%
ID spring wheat	19% harvested	6%	12%	4%	69% g/ex	74%	
US winter wheat	93% harvested	85%	89%	85%			
ID winter wheat	54% harvested	27%	36%	20%			
Corn	90% silking 29% dough	78%	88%	89%	70%	70%	73%

**Weather/Crop Outlook –**

- **El Nino continues to strengthen, with signs that it may be the strongest episode since the 1950s. NOAA now says there is a 90% chance that this episode will last through winter 2015/16 and 80% chance it will linger into spring 2016.**
- **U.S. –** The PNW remained mostly dry this week, with moisture confined to the Intermountain region of south-central and eastern Idaho. Light rainfall fell across much of Central and Upper Midwest, with severe thunderstorms moving across parts of the central belt into the ECB. Moderate temperatures dominated but the region is expected to heat up next week through mid August. **The 6-10 outlook –** Above normal temperatures and below normal precipitation is in the extended outlook for much of the Central U.S. as depicted below.



- **Canada -** Conditions turned drier again this week.
- **Europe –** Dry weather persists across major corn producing areas.
- **Black Sea region –** Conditions remain mostly favorable.