Idaho Grain Market Report, August 7, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 6, 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	$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	$7.00	NQ	$5.31	$5.96	$6.40
Idaho Falls	$7.50	$10.42	$5.80	$6.42	$6.60
Blackfoot / Pocatello	NQ	$10.00	$5.75	$6.05	$6.24
Grace / Soda Springs	$7.30	NQ	$5.71	$6.15	$6.58
Burley / Rupert Hazelton	$7.00 - $7.15	$10.42	$5.75-5.83	$5.91	$6.43
Twin Falls / Eden / Buhl	$7.25 - 7.50	NQ	$5.40-5.80	NQ	NQ
Weiser	$8.00	NQ	$6.18	NQ	NQ
Nez Perce / Craigmont	$7.05	$7.05	$6.24	$6.92	$7.62
Lewiston	$7.55	$7.55	$6.30	$7.17	$7.87
Moscow / Genesee	$7.05 - 7.33	$7.05-7.33	$6.26-6.38	$6.94-7.07	$7.64-7.78

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	$6.68 – 7.13	$7.51¼ - 7.66 ¼	$8.08 - 8.43
Los Angeles	$10.20–10.50	NQ	NQ	$9.01 (13%)	NQ
Stockton	NQ	NQ	NQ	NQ	NQ
Tulare	$10.20-10.50	NQ	NQ	NQ	NQ
Ogden	$7.65	NQ	$5.95	$6.45	$7.05
Great Falls	$5.75	$8.75	NQ	$5.68 - 5.80 (12%)	$6.34 - 6.38
Minneapolis	$6.04	$11.98	NQ	$6.76 ¼	$8.18 - 8.58

Market trends this week

BARLEY – Local barley prices were mostly unchanged to 25 cents higher. USDA reported barley export sales last week of 500 MT to Taiwan, but not export shipments.

WHEAT – Local wheat prices were sharply higher this week: SWW prices ranged from 19 to 35 cents higher; HRW prices ranged from 19 to 39 cents higher; and DNS prices ranged from 6 to 30 cents higher. USDA reported wheat export sales last week were on the low end of trade expectations at 620.9 TMT, down 26% from the previous week and 24% from the prior 4-week average. Wheat export shipments also were lower last week totaling 415.2, down 1% from the previous week and 7% from the prior 4-week average.

Wheat Competitive/Buyer News – Market chatter this week focused on quality downgrades in the French and Ukrainian wheat crops, with as much as 40% of the Ukrainian crop expected to be feed quality. Iran bought 50 TMT Black Sea wheat this week.

CORN – USDA reported corn export sales were below trade expectations at 879.6 MMT (120.9 TMT for MY 13/14 and 758.7 TMT for MY 14/15), with current market year sales down another 30% from the preious week and 66% from the prior 4-week average. Corn export shipments last week were higher than expected at 1.071 MMT, up 24% from the previous week and 8% from the prior 4-week average. USDA reported another export purchase of 160 TMT by Colombia this week.

Ethanol corn usage – DOE's Energy Information Agency reported a significant downtick in weekly ethanol production - down 52,000 bpd to 902,000 bbls per day - down 5.45%from the previous week but up 5.74% from last year. Cumulative corn usage is estimated to have reached 4.57 billion bu and is now trailing the pace needed to reach 5.075 billion bu, USDA's current projection for the marketing year which ends August 31.

Corn Competitor / Buyer News – Reports this week that Brazil will subsidize producer freight costs to move up to 7 MMNT of domestic corn to export positions. USDA Ag Attache is estimating the Argentine corn crop at 23.5 MMT, compared to USDA's July estimate of 26 MMT.

Futures Market trends this week

Macroeconomic trends – Weekly unemployment claims unexpectedly fell by 14,000 to 289,000, the best level in 14 years while the 4-week average fell to the lowest level since Feb 2006. US factory orders also were better than expected this month, rising 1.1% compared to an expected gain of 0.6%.

WHEAT – Wheat traded higher for most of the week on concerns about escalating tensions between Russia and Ukraine and quality concerns in European and Ukrainian wheat due to excessive moisture at harvest. Wheat prices finished lower today (Thursday) under pressure from disappointing export sales and ideas that USDA will raise their U.S., European and Russian wheat production estimates in their monthly supply and demand report next week. **Wheat market closes on Thursday, 8/07/14**…

	Sept. 2014	Weekly Summary	Dec. 2014	Weekly Summary	Mar. 2015	Weekly Summary
Chicago SRW	**$5.61½**	**Up $0.27¼**	**$5.79**	**Up $0.25¾**	**$5.99**	**Up $0.25**
KC HRW	**$6.46¼**	**Up $0.13½**	**$6.59¾**	**Up $0.16¼**	**$6.68**	**Up $0.20**
MGE DNS	**$6.34½**	**Up $0.18½**	**$6.45¾**	**Up $0.19**	**$6.58**	**Up $0.17½**

CORN – Corn trading continued to be choppy this week, with short covering triggered by spillover support from wheat and less than expected rainfall in many dry areas offset by private crop estimates which put the 2014 corn crop at 14.4 to 14.5 billion bu (yield 172.3 to 172. 8 bpa) and new crop carryout at 2 billion bu. Informa Economics believes USDA will release a production estimate of 13.988 billion bu with an average yield of 168 bpa. USDA will release their August supply and demand estimates on the 12th. Corn posted modest losses today (Thursday) on continued talk of strong yield potential and disappointing export sales. **Corn futures contract closes on Thursday, 8/07/2014… Sept. 2014 contract at $3.59½, up $0.07 for the week, Dec. 2014 contract closed at $3.71¼, up $0.09 and the Mar. 2015 contract closed at $3. 84¼, $0.09½.**

CRUDE OIL – Crude oil futures slumped to a 6 month low this week despite ongoing geopolitical concerns. The main features were a higher dollar (highest in nearly 11 months) and concern about slowing gasoline demand during the peak summer travel season. DOE reported that crude oil inventories fell 1.756 million bbls, compared to expected decline of 1.55 million bbls. Distillates fell by 1.798 million bbls, while gasoline stocks fell sharply by 4.387 million bbls, compared to no change. **Crude oil futures finished modestly higher today – up $0.42 to close at $97.34.**

US WEATHER / CROP OUTLOOK –
West – Hot and dry conditions prevailed across most of the Northwest, with exception of the Intermountain region of southern and eastern Idaho which experienced a band of heavy shower activity and cooler than normal temperatures. These late season rains were unfavorable for maturing grain and harvest. **Plains / Midwest Corn Belt** – Mostly warm and dry except for a band of heavy showers moving from eastern Oklahoma and Kansas into Missouri, southeastern Iowa, Illinois and Indiana. Most of Central US continued to experience unseasonably cool weather which is reducing crop water needs but also slowing crop development. The Upper Midwest was mostly dry and warm. The 6-10 day forecast continues to show below normal temperatures for the Central Plains and Midwest but hotter than normal conditions for the Upper Midwest and most of the West.
El Nino weather pattern – This week NOAA downgraded chances of El Nino conditions lingering this fall to 65%.

USDA Crop Progress / Condition Report, August 4, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley					66%	67%	65%
ID barley	**12% harvested**	**2%**	**7%**	**6%**	**78%**	**81%**	
US spring wheat	97% headed	93%	97%	97%	70%	70%	68%
ID spring wheat	**13% harvested**	**3%**	**3%**	**3%**	**70%**	**69%**	
US winter wheat	90% harvested	83%	86%	85%			
ID winter wheat	**39% harvested**	**18%**	**34%**	**18%**			
Corn	90% silking 36% dough	78% 17%	84% 17%	88% 29%	73%	75%	64%

INTERNATIONAL WEATHER/CROP OUTLOOK –

- **Canada** – Mostly warm and dry this week which is helping to advance crop development.
- **Europe –** Drier weather in northern France and the UK is allowing winter grain harvest to advance, but rains across Germany and the Balkans continued to delay harvest and raise quality concerns. Showers are in the forecast for the next 10 days.
- **Ukraine –** Conditions turned warmer and drier which is aiding harvest but quality concerns are mounting in rain damaged wheat.
- **Russia –** Mostly hot and dry weather persisted across western and southern Russia, allowing small grain harvest to advance but also stressing reproductive corn.
- **China –** Crop conditions remain mostly favorable although conditions have turned drier. Yangtze River region remains unfavorably dry.
- **Argentina** – Drier and warmer conditions allowed for corn harvest and winter grain planting to accelerate. Argentine sources report corn harvest at 80% completed compared to usually being finished at this time of year.
- **Brazil –** Favorably warm and dry conditions prevailed this week.
- **Australia –** Favorable moisture and mild weather persisted across the west and southeast, but conditions remain unfavorably dry across the northeast.