Idaho Grain Market Report, August 28, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, August 27, 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	$5.00	NQ	NQ	NQ	NQ
Idaho Falls	$6.00	$10.42- 10.50	$5.15 - $6.16 depending on quality	$5.87	$6.22
Blackfoot / Pocatello	NQ	$10.00	$5.80	$6.33	$6.38
Grace / Soda Springs	$5.75	NQ	$5.66	$5.82	$6.24
Burley / Rupert Hazelton	NQ	$10.42	NQ	NQ	NQ
Twin Falls / Eden / Buhl	$5.75	NQ	Feed wheat $3.00 - 3.75	NQ	NQ
Weiser	$6.00	NQ	$6.05	NQ	NQ
Nez Perce / Craigmont	$6.55	$6.55	$6.20	$6.61	$7.50
Lewiston	$7.05	$7.05	$6.45	$6.86	$7.75
Moscow / Genesee	$6.55 - 6.83	$6.55 – 6.83	$6.22 - 6.36	$6.63 - 6.85	$7.52 - 7.81

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	$6.97¼ - 7.02¼	$7.28 - 7.43	$7.80¼ - 8.27¼
Los Angeles	$8.75 – 8.90	NQ	NQ	$8.73 (13%)	NQ
Stockton	NQ	NQ	NQ	NQ	NQ
Tulare	$8.75 - 8.90	NQ	NQ	NQ	NQ
Ogden	$6.10	NQ	$6.01	$6.12	$6.69
Great Falls	$5.75	$8.75	NQ	$5.47 - 5.76 (12%)	$5.90 – 6.27
Minneapolis	$5.21	$11.98	NQ	$7.08	NQ

Market trends this week

BARLEY – Local feed barley prices were steady to 25 cents lower, with open market malting barley prices holding steady. USDA reported barley export sales last week of 600 MT to Taiwan and barley export shipments of 3.2 TMT to Taiwan.

WHEAT – Local wheat prices were mixed but mostly higher this week: SWW prices ranged from minus 15 cents to plus 16 cents; HRW prices ranged from steady to 16 cents higher; and DNS prices ranged from minus 12 cents to plus 19 cents. USDA reported wheat export sales last week were within trade trade expectations at 403.6 TMT, up 94% from the previous week but down 17% from the prior 4-week average. Wheat export shipments were solid at 466.7 TMT, down 12% from the previous week but steady against a 4-week average.

Wheat Competitive/Buyer News – Ukrainian wheat harvest is reportedly completed, with the crop output pegged at 24.4 MMT, up 9% from last year. Egypt bought 175 TMT of Russian and Romania wheat this week. Taiwan passed on U.S. wheat in this week's wheat tender.

CORN – USDA reported corn export sales were in line with trade expectations at 663 TMT (net cancellations of 32.7 TMT for MY 13/14 and 695.6 TMT for MY 14/15). Corn export shipments last week were once again stong at 1.002 MMT, down 10% from the previous week but up 6% from the prior 4-week average.

The ProFarmer corn crop tour estimated a 2014 corn crop of 14.093 billion bu, based on a national average yield of 169.3 bpa. This compares with USDA's August estimate of 14.032 billion bu based on yield of 167.4 bpa.

Ethanol corn usage – DOE's Energy Information Agency reported a sizeable slip in weekly ethanol production despite strong crushing margins – down 24,000 bpd to 913,000 bbls per day which is down 2.56% from the previous week but 11.34% above last year. Cumulative corn use for ethanol according to DOE data is estimated to have reached 4.86 billion bu, still below the pace needed to reach USDA's revised estimate of 5.12 billion bu, which is causing speculation that USDA will lower its usage estimate in next month's S&D report.

Corn Competititor / Buyer News – CNGOIG has lowered its China corn production estimate by 3.5 MMT due to drought in key production areas of Jilin and Liaoning. Based on recent moisture, European corn yields are expected to be up at least 12% this year. Taiwan issued a tender to buy 60 TMT of corn from South Africa or Brazil, bypassing U.S. corn origins.

Futures Market trends this week

WHEAT – Wheat prices continued to grind lower early in the week under pressure from ample world wheat stocks and spillover pressure from corn and beans. However, by mid week the focus shifted to renewed concerns about escalating tensions and the possibility of outright war along the Ukrainian and Russian border which sparked a strong short covering rally to end the week. **Wheat market closes on Thursday, 8/28/14**…

	Sept. 2014	Weekly Summary	Dec. 2014	Weekly Summary	Mar. 2015	Weekly Summary
Chicago SRW	**$5.56½**	**Up $0.04**	**$5.71¾**	**Up $0.09½**	**$5.91¼**	**Up $0.11**
KC HRW	**$6.35**	**Up $0.01½**	**$6.44¾**	**Up $0.00¾**	**$6.53¼**	**Up $0.01¼**
MGE DNS	**$6.12**	**Down $0.14¾**	**$6.32**	**Down $0.02½**	**$6.45**	**Up $0.00½**

CORN – Corn began the week lower on bearish crop prospects confirmed by the ProFarmer crop tour which wrapped up last Friday and nonthreatening weather in the near term outlook. Strong export inspections and ideas that China's corn crop continues to face yield reducing drought provided some underlying support. Sideways consolidation trade was noted mid week as bears begin focusing on questionable demand outlook. Corn finished modestly higher today (Thursday) in mostly spillover support from wheat and short covering head of the three day weekend. **Corn futures contract closes on Thursday, 8/28/2014… Sept. 2014 contract at $3.61¾, down $0.03¾ for the week, Dec. 2014 contract closed at $3.69¼ , down $0.02¼ and the Mar. 2015 contract closed at $3.82¼, down $0.02.**

CRUDE OIL – A choppy sideways trading pattern continued this week as the market focused on a higher dollar and escalating military action along the Ukrainian and Russian border. DOE reported that crude oil inventories fell again this week - down 2.07 million bbls, compared to an expected decline of 2.5 million bbls. Distillates increased by 1.252 million bbls, compared to an expected unchanged position. Gasoline stocks decreased by 960,000 bbls, compared to an expected decline of 1.6 million bbls. **Crude oil futures finished up $.67 today (Thursday) to close at $94.55/bbl.**

US WEATHER / CROP –

West – Heavy monsoonal thunderstorms tapered off this week, allowing grain harvest to resume across much of Idaho. Hot and dry conditions are expected through the weekend for much of the PNW before cooling off next week. **Plains** – Central and Southern Plains were warm and wet this week, replenishing soil moisture ahead of winter wheat planting next month. Northern Plains were warm and mostly dry, allowing spring grain harvest to resume, but moisture is expected to return to this region early next week. **Midwest Corn Belt** – Storms tracked across the Western Corn Belt this week, bringing locally heavy showers to many of the previously dry areas and causing some localized flooding. Some areas received very heavy precipitation equivalent to a month's worth of rainfall just this week. Another storm system is expected over the holiday weekend. The **6-10 day forecast** calls for warm and wet conditions across the mid section and eastern half of the country.

USDA Crop Progress / Condition Report, August 25, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	43% harvested	31%	55%	50%	56%	62%	66%
ID barley	**41% harvested**	**30%**	**70%**	**47%**	**41%**	**61%**	
US spring wheat	27% harvested	17%	39%	49%	66%	68%	67%
ID spring wheat	**41% harvested**	**23%**	**66%**	**42%**	**37%**	**49%**	
ID winter wheat	**79% harvested**	**70%**	**91%**	**76%**			
Corn	83% dough 35% dented	70% 22%	67% 21%	78% 43%	73%	72%	59%

INTERNATIONAL WEATHER/CROP OUTLOOK –

- **Canada** – Locally heavy showers are tapering off allowing early spring grain harvest to resume. Frosty weather was noted in northern Alberta although no season-ending freeze was reported.
- **Europe –** Somwhat drier conditions allowed spring grain harvest to resume while maintaining strong yield prospects for corn.
- **Ukraine –** Cool showery conditions this week were favorable for corn yield prospects. Wheat harvest is reportedly completed, with the crop pegged at 24.4 MMT compared to 22.3 MMT a year ago.
- **Russia –**Hot and dry weather persisted across the southern region causing more stress to filling corn, while warm and dry conditions accelerated spring grain harvest across Central Russia and Northern Kaszakhstan.
- **China –** Northeastern region and parts of the North China Plains remain very dry, causing drought concerns in this year's corn crop.
- **Argentina** – Rains across the southern production area has helped with winter grain establishment.
- **Australia –** Eastern region has received beneficial moisture recently which is helping to stabilize yield potential while the southern region remains mostly dry. The Western region continues to receive beneficial moisture. .