

Idaho Grain Market Report, September 5, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 3, 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	\$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$5.00	NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	\$10.50- 11.46	\$5.80	\$5.35	\$6.54
Blackfoot / Pocatello	NQ	\$10.00	\$5.80	\$6.10	\$6.25
Grace / Soda Springs	\$5.50	NQ	\$5.75	\$5.86	\$6.55
Burley / Rupert	\$5.70	\$11.46	\$5.60	NQ	NQ
Hazelton					
Twin Falls / Eden / Buhl	\$5.60	NQ	Feed wheat \$3.00 - 3.75	NQ	NQ
Weiser	\$6.00	NQ	\$5.80	NQ	NQ
Nez Perce / Craigmont	\$6.55	\$6.55	\$6.07	\$6.35	\$8.14
Lewiston	\$7.05	\$7.05	\$6.32	\$6.60	\$8.39
Moscow / Genesee	\$6.55 - 6.58	\$6.55 – 6.58	\$6.09 - 6.23	\$6.37 - 6.77	\$8.16 – 8.41

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	\$6.75¾ - 7.13	\$7.16¾ - 7.31¾	\$8.10¼ - 8.35¼ \$8.10¼ - 8.60¼
Los Angeles	\$8.75 – 8.90	NQ	NQ	\$8.67 (13%)	NQ
Tulare	\$8.75 - 8.90	NQ	NQ	NQ	NQ
Ogden	\$5.85	NQ	\$6.10	\$6.16	\$7.00
Great Falls	\$5.75	\$9.50	NQ	\$5.45 - 5.54 (12%)	\$6.04 – 6.21
Minneapolis	\$4.69	\$11.88	NQ	\$6.86 ¾	\$8.60¼ - 9.10¼

Market trends this week

BARLEY – Local feed barley prices were steady to 25 cents lower, with open market malting barley prices ranging from steady to almost a dollar higher. On Friday, USDA reported barley export sales last week totaled 800 MT to Taiwan and barley export shipments of 3 TMT to Taiwan and South Korea.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from minus 4 cents to plus 9 cents; HRW prices ranged from minus 52 cents to plus 4 cents; and DNS prices ranged from minus 13 cents to plus 32 cents. On Friday, USDA reported last week's wheat export sales were well below trade trade expectations at only 168.8 TMT. Wheat export shipments were better than expected at 747.6 TMT, up 60% from the previous week and 56% from a 4-week average.

Wheat Competitive/Buyer News – The EU granted export licenses for 825 TMT of wheat this week, bringing cumulative wheat exports to 4.6 MMT, slightly ahead of last week's strong pace. Egypt bought 120 TMT of wheat this week, with equal amounts from France and Romania.

CORN – USDA reported corn export sales were on the low end of trade expectations at 518.1 TMT (net cancellations of 7.5 TMT for MY 13/14 and 525.6 TMT for MY 14/15). Corn export shipments last week remained stong at 1.022 MMT, up 2% from the previous week and 5% from the prior 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported a modest uptick in weekly ethanol production – up 7,000 bpd to 921,000 bbls per day, which is up 0.88% from the previous week and 12.5% above last year. Corn used to produce ethanol totaled 96.71 million bu, which is below the pace needed to reach the USDA estimate for MY 13/14 which ended August 31.

Corn Competitor / Buyer News – South Korea bought mostly Brazilian corn this week.

Futures Market trends this week
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WHEAT – Wheat prices were mixed this week with support from wet weather concerns across the spring wheat belt, but offset by pressure from active deliveries against the September contract, beneficial rain forecast for the hard red winter wheat belt which is beginning fall planting and a sharply higher dollar which posted a 14 month high. Wheat prices finished mixed on Thursday on mostly spillover pressure and expectations of increased global production and stocks in next week’s monthly supply and demand report. **Wheat market closes on Thursday, 9/04/14...**

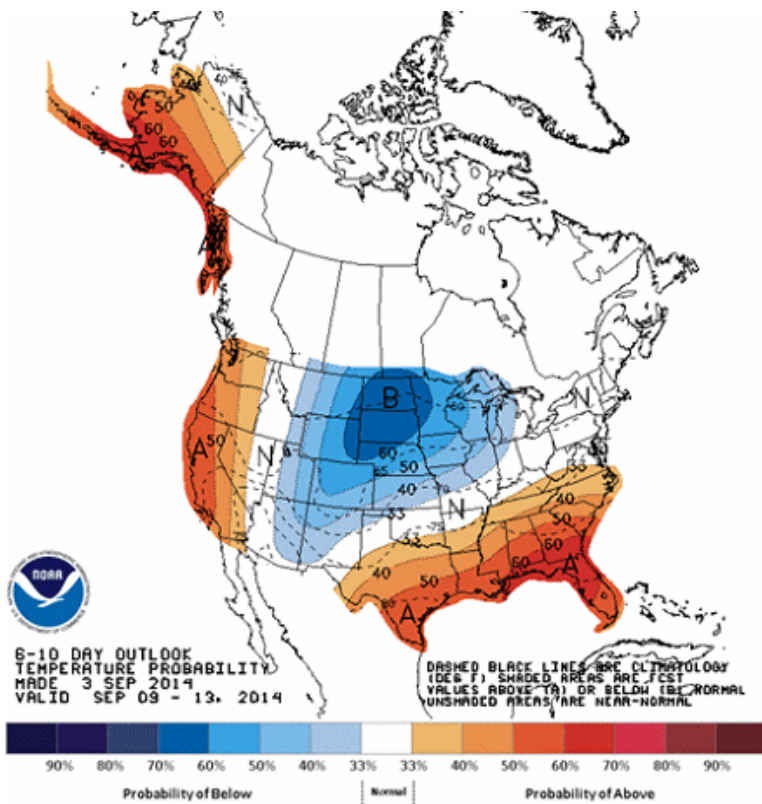
	<u>Sept. 2014</u>	<u>Weekly Summary</u>	<u>Dec. 2014</u>	<u>Weekly Summary</u>	<u>Mar. 2015</u>	<u>Weekly Summary</u>
Chicago SRW	\$5.25¼	Down \$0.25	\$5.30¼	Down \$0.33¼	\$5.50	Down \$0.32½
KC HRW	\$6.08¼	Down \$0.18	\$6.20¼	Down \$0.22½	\$6.28½	Down \$0.23
MGE DNS	\$6.22¼	Up \$0.07¼	\$6.08	Down \$0.21¾	\$6.22¼	Down \$0.20¾

CORN – Corn continued to grind lower this week posting the lowest prices in 4 years under pressure from early harvest reports of better than expected yields, lower energies and forecasts for nearly ideal crop finishing weather. Corn posted fresh contract lows on Thursday on fund selling triggered by expectations of a massive crop and surge in the dollar which is affecting U.S. exports and pushing crude oil prices lower. **Corn futures contract closes on Thursday, 9/04/2014... Sept. 2014 contract at \$3.35¾, down \$0.23¼ for the week, Dec. 2014 contract closed at \$3.46½, down \$0.18¼ and the Mar. 2015 contract closed at \$3.59½, down \$0.18 ¼.**

CRUDE OIL – Crude oil prices slumped to a 16 month low this week under pressure from a surging U.S. dollar which posted 14 month highs and slowing demand as the summer driving season comes to a close. DOE reported that crude oil inventories continued to fall last week but less than expected - down 905,000 bbls, compared to an expected decline of 1.0 million bbls. Distillates increased by 605,000 bbls, compared to an expected decline of 1.0 million bbls, while gasoline stocks decreased by 2.322 million bbls, compared to an expected decline of 1.4 million bbls. **Crude oil futures finished down \$1.09 on Thursday to close at \$94.45/bbl.**

US WEATHER / CROP –

West – Conditions remained mostly warm and dry, allowing spring grain harvest pace to pick up. Quality deterioration has been confirmed in both barley and wheat crops across southern and eastern ID. Temperatures are expected to cool into early next week but remain dry. **Plains** – Rains spread through the Northern Plains, slowing spring grain harvest and threatening quality. Beneficial rainfall is forecast for the Central and Southern Plains which will help improve soil moisture for winter wheat planting. **Midwest Corn Belt** – Strong storms tracked through the Upper Midwest over the weekend into mid week, covering a wide band across the western and central belts. The **6-10 day forecast** calls for a cold front to dip down from Canada bringing well below normal temperatures as depicted in the map below.



USDA Crop Progress / Condition Report, September 2, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	58% harvested	43%	73%	68%	52%	56%	NA
ID barley	61% harvested	41%	87%	65%	31%	41%	
US spring wheat	38% harvested	27%	61%	65%	63%	66%	70%
ID spring wheat	57% harvested	41%	86%	63%	31%	37%	
ID winter wheat	88% harvested	79%	97%	90%			
Corn	90% dough 53% dented 8% mature	83% 35% NA	82% 39% 4%	89% 59% 16%	74%	73%	56%

INTERNATIONAL WEATHER/CROP OUTLOOK –

- **Canada** – Wet cold conditions slowed spring grain harvest and threatened quality.
- **Europe** – Conditions have turned much drier across Western Europe, while heavy showers blanketed the southeast, slowing summer crop harvest.
- **Ukraine** – Dry conditions prevailed.
- **Russia** – Dry and warm conditions prevailed across southern and central Russia, but showers were expected to interrupt spring wheat harvest in the central region by the end of the week.
- **China** – Rainfall spread from Heilongjiang into Jilin benefitting corn crops. Moisture across the North China Plains improved winter wheat planting conditions.
- **Argentina** – Heavy rains in the Buenos Aires region threatened final winter wheat planting, potentially reducing acreage.
- **Australia** – Key production areas in the west and southeast received beneficial showers, keeping crop conditions favorable as winter grains approach reproductive stage.