

# Idaho Grain Market Report, September 11, 2014

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 10, 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	NQ	NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	\$10.50- 11.46	NQ	NQ	NQ
Blackfoot / Pocatello	NQ	\$10.00	\$6.00	\$6.10	\$6.14
Grace / Soda Springs	\$5.15	NQ	\$5.70	\$5.85	\$6.34
Burley / Rupert	\$5.30 – 5.50	\$11.46	\$5.80–5.89	\$5.40	\$5.82
Hazelton					
Twin Falls / Eden / Buhl	\$5.50- 5.60	NQ	Feed wheat \$3.00	NQ	NQ
Weiser	\$6.00	NQ	\$5.95	NQ	NQ
Nez Perce / Craigmont	\$6.55	\$6.55	\$6.00	\$6.59	\$8.47
Lewiston	\$7.05	\$7.05	\$6.25	\$6.84	\$8.72
Moscow / Genesee	\$6.55 - 6.32	\$6.55 – 6.32	\$6.02 - 6.21	\$6.61 - 6.75	\$8.49 – 8.68

### 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	\$6.59 <sup>3</sup> / <sub>4</sub> - 7.00	\$7.25 <sup>1</sup> / <sub>2</sub> - 7.45 <sup>1</sup> / <sub>2</sub>	\$8.18 <sup>3</sup> / <sub>4</sub> - 9.23 <sup>3</sup> / <sub>4</sub>
Los Angeles	\$8.75 – 8.90	NQ	NQ	\$8.65 (13%)	NQ
Tulare	\$8.75 - 8.90	NQ	NQ	NQ	NQ
Ogden	\$5.50	NQ	\$6.00	\$6.05	\$6.75
Great Falls	\$5.00	\$9.50	NQ	\$5.48 - 5.54 (12%)	\$6.34 – 6.57
Minneapolis	\$4.48	\$12.92	NQ	\$6.85 <sup>1</sup> / <sub>2</sub>	\$8.73 <sup>3</sup> / <sub>4</sub> -9.48 <sup>3</sup> / <sub>4</sub>

### Market trends this week

**BARLEY** – Local feed barley prices were steady to 35 cents lower, with open market malting barley prices remained steady. USDA reported barley export sales last week of 500 MT to Taiwan plus 25 TMT of barley sales in MY 2011/16 to an unknown destination. Barley export shipments of 600 MT to Taiwan and South Korea.

**USDA's BARLEY S&D Projections for MY 2014/15 – Sept. 12** – USDA made only minor tweaks to their U.S. barley balance sheet this month: they raised imports by 10 million bu to 30 million bu and raised domestic feed usage by 10 million bu to 65 million bu, leaving barley production unchanged at 193 million bu and ending stocks unchanged at 81 million bu. They raised their projected 2014 barley farm-gate price range to \$4.45-\$5.25. World barley production was increased only slightly this month to 136.2 MMT, which is down 6% from last year. World barley ending stocks were increased only slightly this month to 22.3 MMT, down 11% from last year.

**Barley Competitor/Buyer News** – Stats Canada released their July 31 stocks report last Friday, showing Canadian barley stocks at 1.924 MMT, up 96% from a year ago.

**WHEAT** – Local wheat prices were mixed this week: SWW prices ranged from minus 10 cents to plus 20 cents; HRW prices ranged from minus 9 cents to plus 24 cents; and DNS prices ranged from minus 19 cents to plus 33 cents. USDA reported last week's wheat export sales were above trade trade expectations at 690.2 TMT. Wheat export shipments totaled 559.2 TMT, down 25% from the previous week but unchanged from the 4-week average.

**USDA's WHEAT S&D Projections for MY 2014/15 – Sept. 12** - The U.S. wheat balance sheet was considered bearish against trade expectations...USDA increased wheat imports by 10 million bu to 170 million bu, cut exports by 25 million bu to 900 million bu due to recent sluggish export pace, resulting in a 36 million bu increase in ending stocks to 698 million bu. **This compared with a pre-report trade estimate of 667 million bu.** The average farm-gate price for U.S. wheat was lowered to a range of \$5.50-\$6.30/bu. World wheat production was increased by more than expected this month – up nearly 4 MMT to a new record high of 719.9 MMT and up nearly 1% from last year. World wheat ending stocks also were increased by 3.4 MMT this month to 196.4 MMT, up 5% from last year.

**Wheat Competitive/Buyer News** – USDA increased their European crop production estimate this month by 3 MMT to nearly 151 MMT and the Ukrainian crop by 2 MMT to 24 MMT. Stats Canada released their July 31 stocks report last Friday, showing Canadian wheat stocks at 9.795 MMT, up 94% from a year ago. ABARE is projecting the Australian wheat crop at 24.23 MMT, down from their June forecast of 24.59 MMT. USDA is projecting an Australian crop of 25.5 MMT. Iran bought 200 TMT of wheat this week to be sources from Black Sea or European origins. Saudi Arabia issued an optional origin tender to buy 550 TMT of wheat.

**CORN** – USDA reported corn export sales were within trade expectations at 563.2 TMT. Corn export shipments last week remained stong at 1.203 MMT which included 507.5 TMT shipped by August 31, bringing cumulative MY 2013/14 corn exports to 47.37 MMT, up 162% from the previous year.

**Ethanol corn usage** – DOE's Energy Information Agency reported another modest uptick in weekly ethanol production – up 6,000 bpd to 927,000 bbls per day, which is up 0.65% from the previous week and 9.32% above last year. Corn used to produce ethanol totaled 96.53 million bu.

**USDA's CORN S&D Projections for MY 2014/15 – Sept. 12** - The U.S. corn balance sheet was considered mixed to bearish against trade expectations...As widely expected, USDA hiked their yield and production estimates but were higher than expected. The average yield was increased to 171.7 bpa against an average trade estimate of 170.7 bpa. Corn production was increased to **14.395 billion bu, up 363 million bu from last month and 107 million bu HIGHER than the average pre-report trade estimate of 14.288 billion bu.** Beginning stocks were left unchanged at 1.181 billion bu, compared to an average pre-report estimate of 1.191 billion bu. USDA increased domestic feed use by another 75 million bu to 5.325 billion bu, increased food and industrial use by 75 million bu to 6.530 billion bu (ethanol was up 50 million bu to 5.125 billion bu) and raised exports by another 25 million bu to 1.75 billion bu. This resulted in **a 194 million bu increase in ending stocks to 2.002 billion bu, which was slightly BELOW the average pre-report trade estimate of 2.012 billion bu.** The corn farm-gate price estimate was cut to a range of \$3.20-3.80/bu. World corn production was increased by 2 MMT to 987.5 MMT this month, up just slightly from last year, and world corn ending stocks were increased by 2 MMT to 189.9 MMT, which is up 10% from last year.

**Corn Competitor / Buyer News** – CONGOIC cut their Chinese corn crop estimate this week to 213.8 MMT, compared to USDA's latest estimate of 217 MMT, down 5 MMT from last month, due to drought conditions across key production areas in the North China Plains. USDA also cut their Argentine production estimate by 3 MMT to 23 MMT and Ukrainian crop by 1 MMT to 26 MMT due to lower expected acreage. They raised their Brazilian crop estimate by 1 MMT to 75 MMT and European crop by 1 MMT to 68 MMT.

**Futures Market trends this week**

**WHEAT** – Wheat prices were mostly lower this week, posting new contract lows on active fund selling sparked by talk of increasing world wheat production and stocks, noncompetitive U.S. wheat prices on the world market and easing tensions between Russia and Ukraine. Wheat prices finished sharply lower today (Thursday) under pressure from bearish world wheat production and stock estimates from USDA. **Wheat market closes on Thursday, 9/11/14...please note we have shifted to the Dec. 2014, Mar. 2015 and May 2015 contracts...**

	<b>Dec. 2014</b>	<b>Weekly Summary</b>	<b>Mar. 2015</b>	<b>Weekly Summary</b>	<b>May 2015</b>	<b>Weekly Summary</b>
Chicago SRW	\$5.09½	Down \$0.25¾	\$5.26¼	Down \$0.26¾	\$5.37¼	Down \$0.27½
KC HRW	\$6.06¼	Down \$0.12¼	\$6.13½	Down \$0.21¾	\$6.17¾	Down \$0.19
MGE DNS	\$5.92¾	Down \$0.08¾	\$6.07¾	Down \$0.18	\$6.19	Down \$0.16½

**CORN** – Corn continued to carve out fresh contract lows this week on expectations of a record harvest and receding concerns about frost damage later this week. Early harvest reports show better than expected yields which has prompted the trade to expect USDA to report a 170 + bpa yield in Thursday's monthly S&D report. Corn closed modestly higher on Wednesday in short covering ahead of Thursday's reports but more talk of big yield expectations limited the gains. Corn finished lower today (Thursday) under pressure from bigger than expected corn yield and production estimates from

USDA. **Corn futures contract closes on Thursday, 9/11/2014...** Dec. 2014 contract at \$3.41, down \$0.15 for the week, Mar. 2015 contract closed at \$3.53½, down \$0.13¼ and the May 2015 contract closed at \$3.62, down \$0.15.

**CRUDE OIL** – Crude oil prices continued to grind lower this week on a surging U.S. dollar, despite crude oil supplies declining to an 8-month low. DOE reported that crude oil inventories fell another 972,000 bbls last week, compared to an expected drawdown of 1.5 million bbls. Distillates increased by a whopping 4.094 million bbls, compared to an expected build of 1.0 million bbls, while gasoline stocks increased by 2.381 million bbls, compared to an expected unchanged position. **Crude oil futures finished \$1.16 higher on Thursday to close at \$92.83/bbl.**

**US WEATHER / CROP OUTLOOK –**

**West** – Mostly dry and cool conditions prevailed this week, allowing the delayed spring grain harvest to rapidly advance and winter wheat planting to begin. The **6-10 day outlook** shows a warming trend and dry conditions. **Plains** – Northern Plains were cool with lingering scattered showers and snowfall in the eastern slopes of the Northern Rockies. Most areas, particularly in North Dakota, were able to resume spring grain harvest with expectations of being finished in the next week. Central Plains received beneficial moisture as winter wheat planting begins. The **6-10 day outlook** shows above normal chances for more rainfall in the Southern Plains. **Midwest Corn Belt** – The Polar Jet Stream carved out a deep cold trough deep into the U.S. heartland this week, bringing unseasonably cool temperatures and soaking rain to the Upper Mississippi River Valley and Great Lakes region. However, a season-ending freeze is not expected. The **6-10 day forecast** calls for much below normal temperatures which will keep to slow corn and soybean crop maturity.

**USDA Crop Progress / Condition Report, September 8, 2014**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	81% harvested	58%	87%	82%			
<b>ID barley</b>	<b>87% harvested</b>	<b>61%</b>	<b>94%</b>	<b>80%</b>			
US spring wheat	58% harvested	38%	78%	78%	60%	63%	NA
<b>ID spring wheat</b>	<b>77% harvested</b>	<b>57%</b>	<b>94%</b>	<b>79%</b>	<b>35%</b>	<b>31%</b>	
US winter wheat	3% planted	NA	5%	4%			
<b>ID winter wheat</b>	<b>93% harvested</b> <b>5% planted</b>	<b>88%</b>	<b>100%</b>	<b>97%</b>			
Corn	95% dough 69% dented 15% mature	90% 53% 8%	91% 61% 8%	94% 74% 26%	74%	74%	54%

**INTERNATIONAL WEATHER/CROP OUTLOOK –**

- **Canada** – Unseasonably cold weather continued to blanket the western Prairies, but is not expected to last long enough to cause serious damage to the unharvested spring grain crops. Alberta and Western Saskatchewan saw subzero temperatures this week with only 15% and 1% of the wheat crops harvested. Some quality loss is expected but serious damage is expected to be averted by a warming trend into next week.
- **Europe** – Summer crop harvesting and winter grain planting are progressing in mostly dry conditions, except in the southeastern region where heavy rainfall has caused localized flooding.
- **Ukraine** – Some areas picked up light rains but dry conditions are expected in the near term outlook as winter wheat planting expands.
- **Russia** – Southern region received some beneficial moisture over the weekend and chances were good for a few more showers this week. Satellite vegetation maps show that the Volga and Siberian spring wheat production areas where harvest is underway have suffered from drought this year. Russia is projecting a record wheat crop as high as 61 MMT, while USDA is projecting a crop of 59 MMT, which is higher than a recent USDA Ag Attache report which pegged their wheat crop at 56 MMT (uo 4 MMT from last year).
- **China** – Parts of the China North Plains received beneficial moisture this week, replenishing soil moisture and aiding winter wheat planting. USDA cut their Chinese corn production estimate in this week’s S&D report by 5 MMT to 217 MMT, due to earlier drought stress in this region.
- **Argentina** – Too much moisture in Buenos Aires region has likely cut winter wheat plantings which are wrapping up.
- **Australia** – Key production areas in the west and southeast continued to pick up beneficial rainfall this week, keeping crop conditions favorable as winter grains approach the reproductive stage. There was some light winterkill risk in the near term outlook.