

Idaho Grain Market Report, October 2, 2014

Published by the Idaho Barley Commission, kolson@idahobarley.org, 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, October 1, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u> <u>FEED, 48 lbs or</u> <u>better</u> Feed	<u>MALTING</u>	<u>Wheat (bu.)</u>		
		Open market malting	#1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro
Ashton	NQ	\$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$4.75	NQ	Feed wheat \$3.15 Milling \$5.25	Milling \$5.25	Milling \$6.15
Idaho Falls	\$5.00	\$11.50 - \$12.50	Feed wheat \$3.23	NQ	NQ
Blackfoot / Pocatello	NQ	\$10.00	Milling \$5.75	Milling \$5.94	Milling \$6.21
Grace / Soda Springs	\$4.55	NQ	\$5.75	\$5.53	\$6.27
Burley / Rupert Hazelton	\$5.30 – 5.50	\$12.50	\$5.60 - \$5.69	\$5.32	\$6.05
Twin Falls / Eden / Buhl	\$5.00- 5.75		Feed wheat \$2.75 – 3.00	NQ	NQ
Weiser	\$6.00	NQ	\$5.82	NQ	NQ
Nez Perce / Craigmont	\$5.80		\$5.75	\$6.30	\$7.98
Lewiston	\$6.30		\$6.00	\$6.55	\$8.23
Moscow / Genesee	\$5.80 - 6.10		\$5.77–5.91	\$6.32-6.51	\$8.00–8.14

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	\$6.49 -6.63	\$7.07½ - 7.12½	\$7.61¾ - 8.81¾
Los Angeles	\$8.75 – 8.90	NQ	NQ	\$8.18 (13%)	NQ
Tulare	\$8.75 - 8.90	NQ	NQ	NQ	NQ
Ogden	\$4.90	NQ	\$6.10	\$5.77	\$6.77
Great Falls	\$4.00 – 4.50	\$12.00	NQ	\$4.87 – 4.98 (12%)	\$5.60 – 6.17
Minneapolis	\$4.90	\$13.54	NQ	\$6.17½	\$7.71¾ –7.81¾

Market trends this week

BARLEY – Local feed and open market making barley prices were mostly steady this week. USDA reported barley export sales last week totaled a net 500 MT to Taiwan (USDA confirmed previously reported 25 TMT to unknown destination was sold to Morocco) and barley export shipments of 400 MT to Taiwan and South Korea.

Final 2014 US & Idaho Barley Production – 2014 U.S. barley production was pegged at 180.4 million bu, down 17% from last year. The national average yield was 73.4 bpa, up 3% from last year. Harvested area was 2.458 million acres, down 19% from 2013. **Idaho production fell sharply due to fewer planted acres and higher percentage of acres lost to excessive moisture at harvest time. Idaho barley harvested acres were down 17% to 515,000 and production was down 15% to 48.9 million bu.**

Quarterly BARLEY Stocks on Sept. 1 - U.S. barley stocks totaled 179 million bu, down 9% from last year, with June to August 2014 indicated disappearance of 83.6 million bu, down 17% from the same period a year ago. Idaho barley stocks are pegged at 41.349 million bu, down 7% from a year ago.

WHEAT – Local wheat prices were mixed this week: SWW prices ranged from steady to plus 10 cents; HRW prices ranged from minus 7 cents to plus 42 cents; and DNS prices ranged from minus 2 cents to plus 21 cents. USDA reported last week's wheat export sales were well above trade expectations at 741 TMT, up 92% from the previous week and 90% from the prior 4-week average. Wheat export shipments totaled 554.7 TMT, up 20% from the previous week but down 13% from the 4-week average.

Final 2014 US & Idaho Wheat Production - U.S. wheat production was pegged at 2.035 billion bu, down 5% and slightly BELOW the average pre-report trade estimate of 2.037 billion bu. The national average yield was 43.8 bpa, down 3.3 bpa or 7% from last year. Winter wheat crop was pegged at 1.378 billion bu, down 11%, and other spring wheat was pegged at 600.8 million bu, up 12%. All wheat harvested acres were 46.5 million, up 2.5%. Some states will be resurveyed this month due to delayed harvest. **Idaho wheat harvested acres totaled 1.19 million, down 5%, and production was 93.7 million bu, down 10%.**

Quarterly WHEAT Stocks on Sept. 1 – U.S. wheat stocks were ABOVE trade estimates at 1.914 billion bu, up 2% from last year, with June to August 2014 indicated disappearance of 711 million bu, down 28% from the same period a year ago. The average pre-report trade estimate for stocks was 1.880 billion bu. Idaho wheat stocks are pegged at 83.068 million bu, up 8% from a year ago.

Wheat Competitive/Buyer News – Reports this week that Russian domestic wheat prices are rising, likely pulling Russia out of the export market for the time being. Their government is rebuilding stockpiles to help support an expansion of livestock production to replace imported meat which has been banned in retaliation of economic sanctions placed on Russia by the US and other Western countries. Egypt bought two cargoes of French wheat this week at prices reported to be \$1.25/bu cheaper than U.S. Egyptian officials stated this week that they will likely only import 4 to 4.5 MMT of wheat this year, compared to USDA's projection of 10.3 MMT, and an annual import range of 8 to 11.5 MMT during the past 5 years.

CORN – USDA reported corn export sales were on the low end of trade expectations at 685.9 TMT (MY 2014/15 sales of 638 TMT plus MY 15/16 sales of 47.9 TMT). Corn export shipments last week also were weaker at 620.4 TMT. **FC Stone is projecting a U.S. corn crop of 14.958 billion bu on average yield of 178.4 bpa and harvested acres of 83.8 million. This compares with USDA's September 12 estimate of 14.395 billion bu on average yield of 171.7 bpa and harvest acres of 83.8 million.** Goldman Sachs lowered its 2014/15 corn price projection for the next 3 to 6 months to \$3.00/bu and \$3.75 for the next 12 months, down from earlier projections.

Ethanol corn usage – DOE's Energy Information Agency reported a modest downtick in weekly ethanol production – down 8,000 bpd to 881,000 bbls per day which is down 0.9% from a week ago but up 0.69% from a year ago. Nearby ethanol prices are at the lowest levels since summer 2010. Corn used to produce ethanol totaled 92.5 million bu, falling short of the weekly pace of 98 mbu to achieve the USDA projected ethanol use for the marketing year.

Quarterly CORN Stocks on Sept. 1 – U.S. corn stocks were ABOVE trade estimates at 1.24 billion bu, up 50% from a year ago, and June to August indicated disappearance was 2.62 billion bu, up 34% from the same period a year ago. The average pre-report trade estimate for stocks was 1.185 billion bu, suggesting that feed use was not as high as earlier projected and will likely to be adjusted lower in USDA's October S&D report.

Corn Competitor / Buyer News –

Futures Market trends this week

WHEAT – Wheat prices started the week mildly firmer on a combination of technical short covering, positioning ahead of Tuesday's small grains production and quarterly stock reports and a pullback in the dollar. Tuesday saw prices once again reerect under pressure from bigger than expected domestic wheat stocks and a surging dollar which is affecting U.S. price competitiveness. Prices finished mixed to lower on Wednesday on weak cash prices. Wheat prices rebounded higher today (Thursday) on stronger than expected export sales and reports of surging Russian wheat prices. **Wheat market closes on Thursday, 10/02/14...**

	Dec. 2014	Weekly Summary	Mar. 2015	Weekly Summary	May 2015	Weekly Summary
Chicago SRW	\$4.82 ³ / ₄	Up \$0.08 ¹ / ₂	\$4.96	Up \$0.08 ¹ / ₂	\$5.04 ³ / ₄	Up \$0.07 ³ / ₄
KC HRW	\$5.61 ¹ / ₂	Down \$0.02 ³ / ₄	\$5.63 ³ / ₄	Down \$0.03 ³ / ₄	\$5.65 ³ / ₄	Down \$0.04
MGE DNS	\$5.35 ¹ / ₂	Up \$0.02 ¹ / ₄	\$5.50 ³ / ₄	Up \$0.02	\$5.62 ¹ / ₂	Up \$0.02

CORN – Corn prices opened the week modestly higher on short covering and positioning ahead of Tuesday’s quarterly stocks report. But these modest gains were short lived, with prices falling to 5 year lows on Tuesday under the weight of a bearish stocks estimate and weaker technical chart. In two-sided choppy trading on Wednesday, corn managed to post a modest rebound on slower than expected harvest progress from rain delays mid to late week. Corn finished modestly higher today (Thursday) on spillover support from wheat, rain delays and season-ending freezing temperatures expected across the Dakotas this weekend. **Corn futures contract closes on Thursday, 10/02/14... Dec. 2014 contract at \$3.22¾, down \$0.00¼ for the week, Mar. 2015 contract closed at \$3.35¾, unchanged and the May 2015 contract closed at \$3.44¼, unchanged.**

CRUDE OIL – Crude oil prices posted wide swings this week, falling more than \$3.40/bbl on Tuesday - the biggest one-day drop in more than 2 years - on continued gains in the dollar coupled with demand uncertainties in light of slowing economic prospects in China and the EU. DOE reported that crude oil inventories fell more than expected, falling 1.363 million bbls last week, compared to an expected increase of 1.5 million bbls. Distillates decreased by 2.894 million bbls, compared to analysts’ expectations of no change. Gasoline stocks fell by 1.836 million bbls, compared to an expected decrease of 600,000 bbls. **Crude oil futures finished \$0.28 higher on Thursday to close at \$91.01/bbl.**

US WEATHER / CROP OUTLOOK –

West – A cold front brought cooler and wetter conditions early this week, particularly in the Northern Intermountain region. Freeze warnings are in effect for high elevation areas. Late season warmth will return to the Western region in the 6-10 day outlook. **Plains** –Showers lingered across the Central and Eastern Plains aiding winter wheat establishment. The 6-10 day outlook calls for wetter than normal conditions and cooler temperatures in the Eastern Plains. The Northern Plains (Dakotas) will see freezing temperatures this weekend into next week, ending their growing season for corn and beans. **Midwest Corn Belt** – A wide band of heavy showers and thunderstorms pushed through the Northwestern Corn Belt mid week, moving eastward by this weekend. This moisture has halted winter wheat planting and corn harvest in many areas. The **6-10 day outlook** calls for this cold front to linger in the Eastern Plains and Central Corn Belt. Above normal temperatures are expected in the West and South Central Plains.

USDA Crop Progress / Condition Report, September 29, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	43% planted 14% emerged	25% NA	37% 11%	36% 12%			
ID winter wheat	49% planted 5% emerged	28% NA	43% ---	43% 8%			
Corn	60% mature 12% harvested	42% 7%	60% 11%	70% 23%	74%	74%	55%

INTERNATIONAL WEATHER/CROP OUTLOOK –

- **Canada** – Mostly favorable harvest weather this week, except for Manitoba which saw cooler than normal temperatures which is slowing crop maturity.
- **Europe** – Mostly favorable conditions for summer crop harvesting and winter grain planting, except for parts of southeastern Europe which have received heavy rainfall recently.
- **Ukraine** – Mostly dry into next week when chances of rainfall improve.
- **Russia** – Mostly dry, favoring spring wheat and corn harvesting.
- **China** – Winter wheat belt received some light rain this week, helping with crop establishment while main corn areas received soaking rains which are delaying crop drydown and harvest.
- **Australia** – Western and southeastern production areas received light beneficial rainfall this week, while the eastern region turned dry once again.