

Idaho Grain Market Report, November 6, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, November 5, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u> FEED <u>48 lbs or better</u>	<u>MALTING</u> <u>Open market malting</u>	<u>Wheat (bu.)</u> Milling <u>#1 SWW</u>	<u>#1 HRW</u> 11.5% pro	<u>#1 DNS</u> 14% pro	<u>#1 HWW</u>
Ashton	NQ	\$10.00	NQ	NQ	NQ	
Rexburg/ Ririe/ Roberts	\$4.45 - \$4.65	NQ	\$5.79 - \$5.95	\$5.63	\$6.67	\$6.25 – 6.40
Idaho Falls	\$5.00	\$12.50	Feed wheat \$3.25 - \$3.40 \$6.25 - \$6.28	\$5.54 – 6.83	\$6.70 -7.18	\$5.84-6.83
Blackfoot / Pocatello	NQ	\$10.00	Feed wheat \$3.75 \$6.25	\$6.83	\$6.70	\$6.83
Grace / Soda Springs	\$5.20	NQ	\$6.15	\$5.99	\$6.80	\$5.99
Burley / Rupert	\$5.20 – 5.50	\$12.50	\$6.05-6.15	\$5.70	\$6.45	
Hazelton						
Twin Falls / Eden / Buhl	\$5.30 - 5.75		Feed wheat \$3.00	NQ	NQ	
Weiser	\$6.00	NQ	\$6.10	NQ	NQ	
Nez Perce / Craigmont	\$6.05		\$6.05	\$6.54	\$8.24	
Lewiston	\$6.55		\$6.30	\$6.79	\$8.49	
Moscow / Genesee	\$6.05 - 6.10		\$6.07–6.22	\$6.56-6.75	\$8.26–8.40	

Prices at Selected Terminal Markets, cash prices FOB

	<u>#2 Feed</u> 46 lbs. -- unit trains barge	<u>Malting</u>	<u>#1 SWW</u>	<u>#1 HRW</u> 11.5% Protein	<u>#1 DNS</u> 14% Protein	<u>#1 HWW</u>
Portland			\$6.69¾ -6.89¾	\$7.29½ -7.44½	\$8.99¾ – 9.09¾	
Los Angeles	\$8.35–8.65			\$8.34 (13%)		
Tulare	\$8.35-8.65					
Ogden	\$5.55		\$6.55	\$6.35	\$7.34	\$6.45
Great Falls	\$4.50	\$12.00		\$5.61 – 5.65 (12%)	\$6.30 – 6.73	
Minneapolis	\$5.10	\$15.31		\$6.44½	\$7.99¾ -8.14¾	

Market trends this week

BARLEY – Local feed barley prices were mixed this week, ranging from minus 30 cents to plus 20 cents. Open market malting barley prices remained stable this week. USDA reported barley export sales last week of 400 MT to South Korea and Taiwan and barley export shipments of 500 MT to Taiwan and South Korea.

WHEAT – Local wheat prices were lower this week: SWW prices ranged from steady to 25 cents lower; HRW prices ranged from 1 to 30 cents higher; and DNS prices ranged from 12 to 35 cents lower. USDA reported last week's wheat export sales were below trade expectations at 265.8 TMT, down 40% from the previous week and down 32% from the prior 4-week average. Wheat export shipments were a marketing year low at only 154.7 TMT, down 43% from the previous week and down 67% from the previous 4-week average. Cumulative wheat export shipments have reached 43.5% of the yearly estimate, compared to a 5-year average of 43.2%. Export shipments are projected to slow in the second half of the marketing year as Southern Hemisphere crops move onto the world market.

Trade estimates for Nov. 10 WASDE wheat S&D estimates – Trade estimates show modest increase in U.S. wheat carryover due to slowing export sales pace – up 6 million bu to 660 million bu (Oct. est. 654 million bu). World wheat ending stocks are projected down 3.5 MMT to 192.1 MMT (Oct. est. 195.6 MMT).

Wheat competitor / buyer news – Pakistan is imposing a 20% wheat import duty to help protect their domestic suppliers and spur more production next year. Egypt purchased 235 TMT of wheat this week, 180 TMT from France and 55 TMT from Ukraine. More chatter that Russia's poor start to their 2015 winter wheat crop could result in increased winterkill and possibly 15 to 20% lower production next year. Meanwhile, Russian wheat remains very competitively priced on the world market, as their currency has lost 20% of its value this year (12% against the dollar just in the month of October).

CORN – USDA reported corn export sales were below trade expectations last week at 478.2 TMT, down 2% from last week and down 55% from the previous 4-week average. Corn export shipments last week were also well below trade expectations at 444 TMT, short of the weekly pace needed to reach USDA's estimate for the marketing year. Cumulative corn export shipments have reached 15.4% of the yearly estimate, compared to a 5-year average of 16.7%.

Trade estimates for Nov. 10 WASDE corn S&D estimates – Average pre-report trade estimates have pegged the U.S. corn crop up 76 million bu to 14.551 billion bu (Oct. est. 14.475 billion bu) on an average yield of 175.2 bpa (Oct. est. 174.2 bpa). Corn ending stocks are projected to increase by 54 million bu to 2.135 billion bu (Oct. est. 2.081 billion bu).

Ethanol corn usage – DOE's Energy Information Agency reported a modest downtick in weekly ethanol production last week – down 8,000 bpd to 929,000 bbls per day, down 0.85% from a week ago but up 2.99% from a year ago. Corn use totaled 97.55 million bu, bringing cumulative use to 8309.7 million bu for the marketing year.

Corn competitor / buyer news – Recent reports from China suggest that moisture shortages in May to August may lower their corn yields and production this year.

Futures Market trends this week

WHEAT – Wheat prices started the week higher on fund short covering triggered by spillover support from beans and corn. Gains quickly evaporated on Tuesday in choppy trading as a sharply higher dollar is curtailing U.S. wheat price competitiveness on the world market, with evidence of declining export sales. Wheat settled lower today (Thursday), under pressure from disappointing export sales and a rising dollar. **Wheat market closes on Thursday, 11/06/14...**

	Dec. 2014	Weekly Summary	Mar. 2015	Weekly Summary	May 2015	Weekly Summary
Chicago SRW	\$5.20 ³ / ₄	Down \$0.12 ³ / ₄	\$5.32	Down \$0.13 ³ / ₄	\$5.39 ¹ / ₂	Down \$0.13 ³ / ₄
KC HRW	\$5.79	Down \$0.14 ³ / ₄	\$5.82 ¹ / ₂	Down \$0.16 ¹ / ₂	\$5.85	Down \$0.16 ¹ / ₂
MGE DNS	\$5.54	Down \$0.20 ³ / ₄	\$5.67 ¹ / ₂	Down \$0.17	\$5.76 ³ / ₄	Down \$0.16 ¹ / ₄

CORN – Corn began the week lower on spillover pressure from heavy selling in beans, profit-taking and a rapidly advancing harvest. Losses were trimmed by a lack of producer selling, which is likely to pick up as the last 25% of the crop is harvested and storage tightens. Corn rebounded higher on Wednesday on aggressive fund buying triggered by a surge in crude oil prices. Short covering and spillover support pulled corn prices modestly higher today (Thursday) despite disappointing export sales. **Corn futures contract closes on Thursday, 11/06/14... Dec. 2014 contract at \$3.71¹/₄, down \$0.05¹/₂ for the week, Mar. 2015 contract closed at \$3.84, down \$0.05¹/₄ and the May 2015 contract closed at \$3.92³/₄, down \$0.05¹/₄ for the week.**

CRUDE OIL – Crude oil futures continued to trade in a sharp downtrend on Monday and Tuesday, pressured by a Saudi Arabian crude oil price cut into the U.S. market, rising dollar and demand concerns in China and the EU. Prices rebounded sharply higher on Wednesday on news of a Saudi Arabian pipeline fire, but reports indicated the fire was quickly extinguished. DOE reported that crude oil inventories continued to increase but at a slower pace than expected – up another 460,000 bbl, compared to an expected increase of 2.35 million bbls. Distillates fell by 724,000 bbls to a 4-month low; while gasoline stocks decreased by 1.378 million bbls, compared to an expected decrease of 600,000 bbls. **Crude oil futures finished \$0.77 lower on Thursday to close at \$77.91/bbl, under pressure from a rising dollar, concerns about Chinese economic growth and lower Saudi prices. Crude oil futures closed down \$02.59/bbl for the week.**

US WEATHER / CROP OUTLOOK –

West – Mostly mild/dry weather prevailed across this region. **Plains** – Mostly mild conditions this week are giving way to a mix of rain and snow across the northern tier, while beneficial showers covered portions of the Central and Southern Plains. **Corn Belt** – Mild dry conditions favored harvest this week, with only scattered rain showers across the Ohio River Valley into the Great Lakes region where harvest pace continues to lag by 20%. **The 6-10 day outlook calls for below normal temperatures east of the Rockies and warmer than normal in the west. Near to below normal precipitation is expected across much of the country, except for the Northern Plains and Great Lakes regions which expect wetter than normal conditions.**

USDA Crop Progress / Condition Report, November 3, 2014

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	90% planted 77% emerged	84% 67%	90% 76%	89% 72%	59%	59%	63%
ID winter wheat	100% planted 85% emerged	97% 67%	100% 78%	99% 79%	94%	90%	
Corn	65% harvested	46%	71%	73%			

INTERNATIONAL WEATHER / CROP OUTLOOK –

- **Australia** – Moisture deficit remains a concern in the southeastern production regions.
- **Brazil** – Rainy season has proven to be somewhat disappointing although heavy rainfall is in the nearby forecast for portions of Mato Grosso later this week. Meanwhile, drought has intensified in Parana, the largest corn producing region. This area has received only 44% of normal rainfall.
- **Argentina** – Cooler and wetter conditions are not overly favorable for winter wheat which should begin harvest this month. Corn planting has been delayed in some wet areas.

WEBINAR on Understanding the Idaho Harvest 2014 Weather Events and Winter 2015 Weather Outlook

Presented by the Idaho Barley Commission and National Weather Service

WHEN: **NOVEMBER 19 at 10 am MST**

LOG IN: <http://connect.cals.uidaho.edu/barley/>

FARM BILL / CROP INSURANCE WORKSHOPS - see attached flyers for workshop schedule in your area.

AGENDA:

- **Lessons learned from 2014 sprout damage & why it matters to maltsters and millers** – *maltster invited and Reuben McLean, Grain Craft (southern and eastern Idaho locations only)*
- **Crop Insurance** – review of barley and wheat policy coverage and potential changes in 2016 - *Ben Thiel, RMA Spokane Regional Office Director*
- **Farm Bill** – overview of key provisions & on-line decision tools to compare PLC and ARC – *Ben Eborn, University of Idaho Extension and Jeremy Nalder, FSA State Office [North Idaho workshops – Ken Hart, University of Idaho Extension]*
- **Supplemental Coverage Option (SCO)** - how it works for wheat and barley – *Ben Thiel, RMA Spokane Regional Office Director*