

# Idaho Grain Market Report, November 20, 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, November 19, 2014. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	<u>Barley (Cwt.)</u> <b>FEED</b> <u>48 lbs or better</u>	<u>MALTING</u> <u>Open market malting</u>	<u>Wheat (bu.)</u> <b>Milling</b> <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	\$4.75 - \$5.10	NQ	\$6.02 - \$6.10	\$5.75	\$6.90	\$6.30 – 6.40
			<u>Feed wheat</u> \$3.70			
Idaho Falls	\$5.00	\$12.50	\$6.25 - \$6.47	\$6.86	\$7.12 - 7.21	\$6.86
			<u>Feed wheat</u> \$3.75			
Blackfoot / Pocatello	NQ	\$10.00	\$6.25	\$6.86	\$7.21	\$6.83
Grace / Soda Springs	\$5.20	NQ	\$6.25	\$6.01	\$7.04	\$6.01
Burley / Rupert	\$5.20 – 5.50	\$12.50	\$6.15-6.20	\$5.65	\$6.63	
Hazelton						
Twin Falls / Eden / Buhl	\$5.30 – 6.25		\$5.90	NQ	NQ	
			<u>Feed wheat</u> \$3.25 – 3.60			
Weiser	\$5.37	NQ	\$6.17	NQ	NQ	
Nez Perce / Craigmont	\$6.05		\$6.10	\$6.33	\$8.58	
Lewiston	\$6.55		\$6.35	\$6.58	\$8.60	
Moscow / Genesee	\$6.05 - 6.10		\$6.12–6.26	\$6.12-6.26	\$8.60–8.85	\$6.60

## 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			\$6.78 – 7.17 <sup>3</sup> / <sub>4</sub>	\$7.21 <sup>1</sup> / <sub>4</sub> - 7.41 <sup>1</sup> / <sub>4</sub>	\$9.11 <sup>1</sup> / <sub>2</sub> – 9.51 <sup>1</sup> / <sub>2</sub>	
Los Angeles	\$9.50–10.20			\$8.36 (13%)		
Tulare	\$9.50-10.20					
Ogden	\$5.55		\$6.60	\$6.35	\$7.50	\$6.35
Great Falls	\$4.75	\$12.00		\$5.67 – 5.72 (12%)	\$6.48 – 6.81	
Minneapolis	\$5.10	\$15.31		\$6.46 <sup>1</sup> / <sub>4</sub>	\$8.11 <sup>1</sup> / <sub>2</sub> - 8.26 <sup>1</sup> / <sub>2</sub>	

## Market trends this week

**BARLEY** – Local feed barley prices were mixed this week, ranging from unchanged to plus 35 cents. Open market malting barley prices remained stable this week. USDA reported barley export sales last week of 4.3 TMT to Japan and Taiwan. USDA reported no export shipments for last week.

**WHEAT** – Local wheat prices were mixed but mostly lower this week: SWW prices ranged from minus 8 cents to plus 22 cents; HRW prices ranged from minus 6 to 29 cents; and DNS prices ranged from minus 1 to 24 cents lower. USDA reported wheat export sales last week were on the low end of trade expectations at 361.7 TMT, down 13% from the previous week but up 1% from the prior 4-week average. Export shipments last week were very disappointing – dipping to a marketing year low of 178.4 TMT, down 43% from the previous week and down 39% from the prior 4-week average.

**Informa Economics is pegging 2015 US winter wheat acreage at 42.2 million, up 455,000 from their previous estimate, while Lanworth is projecting lower acreage at 40.79 million.**

**Wheat competitor / buyer news** – Russian wheat exports thus far this marketing year are reported to have reached 13.23 MMT, up 59% from the same period a year ago. Ukraine is estimating their wheat exports thus far at 5.7 MMT, up 26% from the same period a year ago. USDA is projecting Russian wheat exports for MY 14/15 at 22.5 MMT, up from 18.5 MMT the year before and Ukrainian exports at 10.0 MMT, up slightly from 9.8 MMT the year before. Ukraine reports their 2015 winter wheat plantings are up 5% at 6.4 million ha and the crop is in good shape as its heads into winter dormancy. Tunisia purchased 100 TMT of French milling wheat this week and Jordan purchased 100 TMT of Black Sea origin wheat. Egypt is tendering for more wheat this week, after buying French wheat last week. Saudi Arabia is tendering this week for 330 TMT of optional origin wheat. Brazilian domestic wheat production is reported to be disappointing due to excessive moisture at harvest, with Rio Grande do Sul, one of the largest producing regions, reporting losses of 30 to 60% due to high temperatures during the growing season and harvest rains. Other Southern Hemisphere wheat growing regions also are seeing rain at harvest including Argentina and Northeastern and Southern Australia. Harvest is just beginning in these regions so harvest reports should be watched closely.

**CORN** – USDA reported corn export sales rebounded last week to above trade expectations at 908.7 TMT, up 80% from the previous week and up 45% from the prior 4-week average. However, corn export shipments remained disappointing last week at 386.9 TMT, below the weekly pace needed to reach USDA's estimate for the marketing year.

**Informa Economics is pegging 2015 US corn acreage at 88.3 million, up 560,000 from their previous estimate but down from 90.9 million USDA reported was planted this year. The trade widely expects USDA will lower their final 2014 acreage estimate in their final January 2015 production report.**

**Ethanol corn usage** – DOE's Energy Information Agency reported a sizeable improvement in weekly ethanol production last week to near record weekly production – up 24,000 bpd to 970,000 bbls per day, up 2.54% from a week ago and up 7.3% from a year ago. Corn use totaled 101.85 million bu, now running ahead of the weekly pace of 99.4 million bu needed to reach USDA's estimate for the marketing year.

**Corn competitor / buyer news** – There are **confirmed reports of two cargoes of European feed wheat moving into Southeastern U.S. feed markets (1<sup>st</sup> shipment from the UK and 2<sup>nd</sup> shipment loaded this week in France).** There also are confirmed reports of bird flu in both the Netherlands and Germany, which is bearish for domestic corn demand. Ukraine is estimating their MY 2014/15 corn exports will total 20.2 MMT, up from their previous forecast of 17.9 MMT. USDA is projecting Ukrainian corn exports at 16.5 MMT, down from 20.0 MMT in the previous year. Ukrainian corn is reportedly the cheapest origin into Asian markets right now, and China has reportedly booked 1.14 MMT of Ukrainian corn purchase.

#### Futures Market trends this week

**WHEAT** – Wheat prices were under pressure for most of the week from spillover weakness in corn and soybeans and concerns that a stronger dollar is cutting into U.S. wheat exports. Clearly the U.S. wheat export pace has slowed as U.S. origins are struggling to find demand at these prices. Underlying support comes from renewed Russian – Ukrainian tensions and frigid temperatures which are threatening late planted SRW wheat which went into dormancy with poor stands. Wheat settled doubled digits higher today (Thursday) on mostly spillover support from surging soybean meal.

**Wheat market closes on Thursday, 11/20/14...**

	<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	\$5.47¼	Down \$0.13¼	\$5.52½	Down \$0.10¼	\$5.59¼	Down \$0.10¼
KC HRW	\$6.02¼	Down \$0.03¼	\$6.06¼	Down \$0.02	\$6.08¾	Down \$0.03
MGE DNS	\$5.84½	Down \$0.04¾	\$5.91½	Down \$0.05¼	\$6.00	Down \$0.04½

**CORN** – Corn prices retreated this week after an impressive uptrend last week. Pressure comes from active fund selling sparked by weaker technicals and a disappointing export shipment pace. Underlying support from increased feeding resulting from colder temperatures and talk of lower corn acreage next year. Corn posted strong gains today (Thursday) on better than expected corn export sales and spillover support from soybean meal. **Corn futures contract closes on Thursday, 11/20/14...** Dec. 2014 contract at \$3.73¼, down \$0.08½ for the week, Mar. 2015 contract closed at \$3.86¼, down \$0.08 and the May 2015 contract closed at \$3.95, down \$0.07¾ for the week.

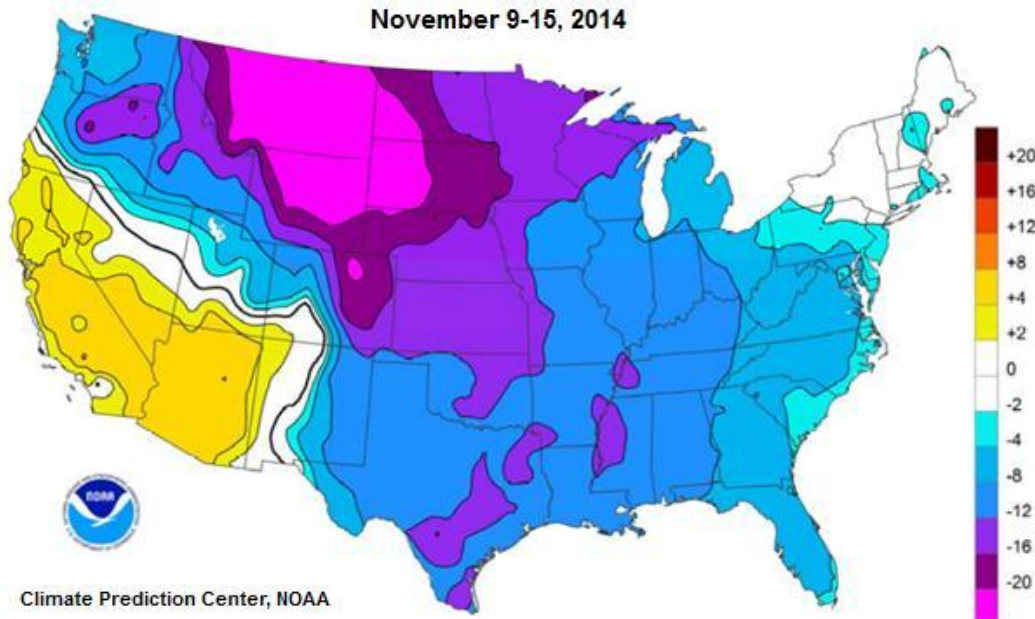
**CRUDE OIL** – Crude oil futures remained under pressure this week on continued worries about slowing economic growth and demand in China and Europe. Reports that OPEC will consider a 500,000 barrel per day cut in their production quota at meetings next week added to the negative tone. DOE reported that crude oil inventories increased by 2.608 million bbl, compared to an expected increase of 1.5 million bbls. Distillates fell by 2.056 million bbls to the lowest level in 6 months. Gasoline stocks increased by 1.034 million bbls, compared to an expected decrease of 900,000 bbls. **Crude oil futures finished \$1.00 higher on Thursday to close at \$75.58/bbl, down \$0.24/bbl for the week.**

**US WEATHER / CROP OUTLOOK –**

**West** – Cold gusty winds were prevalent across the interior Pacific Northwest but very little new precipitation was received. **Plains** – Northern Plains were very cold, while milder weather spread across the Central and southern Plains. Below normal temperatures are expected to persist into next week, with wetter than normal conditions across the Northern tier. **Corn Belt** – Surge of cold air spread across the Central U.S. dipping into eastern Nebraska, threatening late planted winter wheat which has gone into dormancy with relatively poor stands and is hampering final corn and soybean harvesting. Snow squalls were very heavy across the Great Lakes region with more snow on the way. **The 6-10 day outlook calls for below normal temperatures and above normal precipitation from the Rockies into the Mississippi River Valley.**

**Departure from Average Temperature from Normal (F)**

**November 9-15, 2014**



**USDA Crop Progress / Condition Report, November 17, 2014**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	95% planted 87% emerged	93% 83%	99% 88%	97% 84%	60%	60%	63%
ID winter wheat	<b>100% planted</b> <b>96% emerged</b>	<b>100%</b> <b>93%</b>	<b>100%</b> <b>94%</b>	<b>100%</b> <b>95%</b>	<b>94%</b>	<b>94%</b>	
Corn	89% harvested	80%	90%	88%			

**INTERNATIONAL WEATHER / CROP OUTLOOK –**

- **Australia** – Rains were prevalent across the northeastern and southern winter grain areas this week, causing quality concerns as harvest is beginning.
- **Brazil** – Northern production region is finally receiving beneficial moisture after being excessively dry in October. Southern region has received excessive moisture in some areas, which has caused quality losses in the wheat crop. Rio Grande do Sul, one of the largest producing regions, is reporting wheat losses of 30 to 60% due to high temperatures during the growing season and harvest rains.
- **Argentina** – Started the week mostly dry but by mid week is seeing moisture which is causing quality concerns as the winter grain crops mature and harvest begins.

**LINK TO RECORDED WEBINAR on Understanding the Idaho Harvest 2014 Weather Events and Winter 2015 Weather Outlook** presented by the Idaho Barley Commission and National Weather Service can be found at <http://connect.cals.uidaho.edu/p9az3133g4g/>

## **SOUTH IDAHO**

### **Farm Bill / Crop Insurance Workshops, 8:30 a.m. to 3:00 p.m., Dec. 1-5**

**Pre-registration required by Nov. 25 by calling Kelly Olson, Idaho Barley Commission, 208.334.2090 or 208.409.9165 (free)**

- Dec. 1 – St. Anthony, Fremont County Extension Office
- Dec. 2 – Shilo Inn, Idaho Falls
- Dec. 3- Red Lion Hotel, Pocatello
- Dec. 4 – Burley Inn, Burley
- Dec. 5 – Red Lion Hotel, Twin Falls

### **Idaho Ag Outlook Seminars, presented by UI Extension, 9:00 a.m. to 4:00 p.m.,**

**Pre-registration required by Dec. 5 by calling Ben Eborn at Teton County Extension, 208.354.2961 (\$30 per person)**

- Dec. 9, Best Western Plus, Caldwell
- Dec. 10 - Burley Inn, Burley
- Dec. 11 - Shilo Inn, Idaho Falls

*Topics include:*

- Global Ag Outlook—Dr. Cathy Roheim, U of I
- U.S. Economic Outlook—Doug Robison, NW Farm Credit
- Idaho Ag Outlook—Dr. Garth Taylor, U of I
- Input Cost Trends & Outlook—Paul Patterson, U of I
- 2014 Farm Bill Overview—Ben Eborn, U of I
- Grain Situation & Outlook—Kelly Olson, Idaho Barley Commission
- Potato Situation & Outlook—Paul Patterson, U of I
- Beef & Cattle Outlook—Joel Packham, U of I
- Dairy & Alfalfa Situation & Outlook—Wilson Gray, U of I

### **Idaho Grain Marketing / Hedging Workshops presented by the Idaho Barley Commission, 8:30 a.m. to 12.30 p.m. featuring CHS Hedging market analyst Brian Rydlund, Minneapolis**

**Pre-registration required by Jan. 8 by calling Kelly Olson, Idaho Barley Commission, 208.334.2090 or 208.409.9165 (\$25 per person)**

- Jan. 14, Idaho Falls Hampton Inn, 645 Lindsey Blvd.
- Jan. 15, Burley Inn

## **NORTH IDAHO**

**Keeping the Legacy Alive Estate Planning Workshops** presented by Lewis County Extension on Dec. 2, 4 and 5 at the Red Lion Hotel in Lewiston. **Pre-registration required by Nov. 24 by calling Ken Hart at Lewis County Extension, 208.937.2311 (\$25 per person)**

### **Farm Bill / Crop Insurance Workshops, 8:30 a.m. to 3:00 p.m., Dec. 1-5**

**Pre-registration required by Jan. 7 by calling Kelly Olson, Idaho Barley Commission, 208.334.2090 or 208.409.9165 (free)**

- Jan. 12 – Craigmont - Community Center
- Jan. 13 – Lewiston – LCSC Williams Conference Center
- Jan. 14 – Plummer – Benewah Medical Center
- Jan. 15 – Bonners Ferry – Boundary County Extension Office

**Targeting Financial Performance / Quickbooks Workshops** presented by Lewis County Extension on Jan. 8, 13 and 15 at the Soltman Center in Grangeville. **Pre-registration required by Dec. 31 by calling Ken Hart at Lewis County Extension, 208.937.2311 (\$25 per farm).**