

Idaho Grain Market Report, December 11, 2014

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 10, 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>
Rexburg/ Ririe/ Roberts	\$5.00 - \$5.10	NQ	\$6.19 - \$6.50 Feed wheat \$3.60 - 3.70	\$5.94	\$7.45	\$6.37 - 6.85
Idaho Falls	\$5.20	\$12.50	\$5.70 - \$6.70 Feed wheat \$3.75	\$6.12 - 6.84	\$7.10 - 7.43	\$6.12 - 7.14
Blackfoot / Pocatello	NQ	\$10.00	\$5.70	\$6.84	\$7.10	\$7.14
Grace / Soda Springs	\$5.10	NQ	\$6.45	\$5.99	\$6.99	\$5.99
Burley / Rupert	\$5.20 - 5.75	\$12.50	\$6.46	\$5.82	\$7.49	\$6.27
Hazelton						
Twin Falls / Eden / Buhl	\$5.30 - 6.25		Feed wheat \$3.50	NQ	NQ	
Weiser	\$11.43	NQ	\$6.86	NQ	NQ	
Nez Perce / Craigmont	\$6.70		\$6.15	\$6.53	\$8.81	
Lewiston	\$7.20		\$6.40	\$6.78	\$9.06	
Moscow / Genesee	\$6.85 - 6.70		\$6.17 - 6.31	\$6.55 - 6.69	\$8.82 - 8.83	\$6.69

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	#1 HWW
Portland			\$6.81 ³ / ₄ - 7.26 ³ / ₄	\$7.17 ¹ / ₂ - 7.42 ¹ / ₂	\$9.04 ¹ / ₂ - 9.54 ¹ / ₂	
Los Angeles	\$9.50 - 10.20			\$8.65 (13%)		
Tulare	\$9.50 - 10.20					
Ogden	\$5.85		\$6.81	\$6.32	\$7.44	6.35
Great Falls	\$4.50	\$12.00		\$5.84 - 5.90 (12%)	\$6.82 - 7.12	
Minneapolis	\$5.42	\$15.31		\$6.77 ¹ / ₂	\$7.59 ¹ / ₂ - 7.89 ¹ / ₂	

Market trends this week

BARLEY - Local feed barley prices were mostly stable in southern Idaho and 40 cents higher in north Idaho. Open market malting barley prices remained stable this week. USDA reported barley export sales were strong last week at 15 TMT sold to Japan. Export shipments last week totaled to 500 MT, to South Korea and Taiwan.

USDA's BARLEY S&D Projections for MY 2014/15 - Dec. 10, 2014 - As expected USDA made no changes to their domestic barley balance sheet this month. They left the average farm-gate price for U.S. barley unchanged at \$4.85-\$5.45/bu. World barley production was cut slightly this month (down 0.4 MMT) to 139.4 MMT, down 4% from last year, due to smaller production in Argentina. World barley ending stocks were cut this month by 1.3 MMT to 23.5 MMT - down 5% from last year - reflecting lower stocks in the EU.

Barley competitor / buyer news - USDA cut their Argentine barley production estimate this month by 0.4 MMT to 3.0 MMT, down 37% from last year.

WHEAT - Local wheat prices were mixed but mostly lower this week: SWW prices ranged 5 to 30 cents lower; HRW prices ranged from 17 to 23 cents lower; and DNS prices ranged from minus 34 cents to plus 25 cents. USDA reported wheat export sales last week were above trade expectations at 526.5 TMT, up 39% from the previous week and 16% from

the prior 4-week average. Export shipments last week continued to lag the pace needed to reach the USDA estimate for the marketing year at 330.9 TMT, down 9% from the prior 4-week average.

USDA's WHEAT S&D Projections for MY 2014/15-- Dec. 10, 2014 – The U.S. wheat balance sheet was considered bearish against trade expectations as USDA unexpectedly raised ending stocks...USDA increased their wheat import estimate by 10 million bu to 180 million bu, resulting in an equal increase in ending stocks to 654 million bu. U.S. wheat exports were left unchanged at 925 million bu, down 19% from last year. The average farm-gate price for U.S. wheat was increased to a range of \$5.80-\$6.20/bu. **World wheat production was increased by 2.3 MMT this month to 722.2 MMT**, up 1% from a year ago, due to bigger than expected Canadian wheat crop. World wheat ending stocks were increased by 2 MMT this month to 194.9 MMT, up 5% from last year.

Wheat competitor / buyer news – French market analysts projected their wheat ending stocks would reach a 10 year high this year and their 2015 winter wheat acreage increased 2%. USDA raised their Canadian wheat production estimate by 1.8 MMT this month to 29.3 MMT based on last week's Stats Canada data. Egypt purchased French and Russian wheat this week.

CORN – USDA reported corn export sales were within trade expectations last week at 962.8 TMT, down 18% from last week but up 9% from the previous 4-week average. Corn export shipments last week totaled 678.3 TMT, down 9% from the previous week.

Ethanol corn usage – DOE's Energy Information Agency reported an impressive improvement in ethanol production last week in light of collapsing crude oil prices – up 26,000 bpd to 988,000 bbls per day – which is up 2.7% from a week ago and up 4.7% from a year ago. Corn use last week totaled 103.7 million bu, above the weekly pace needed to achieve the USDA estimate of 5.15 billion bu for the year.

USDA's CORN S&D Projections for MY 2014/15 - Dec. 10, 2014 – The U.S. corn balance sheet was considered mildly bullish against trade expectations with a surprising cut to the U.S. ending stocks estimate, albeit a very modest cut. As widely expected USDA did not adjust acreage or yields this month, leaving that job to the final production estimate they release in January. USDA did raise domestic industrial, food and seed usage by 10 million bu this month to 6.545 bbu (ethanol use left unchanged at 5.15 billion bu), resulting in a 10 million bu cut to ending stocks to 1.998 billion bu. **THIS WAS BELOW the average pre-report trade estimate of 2.027 billion bu.** The corn farm-gate price estimate was left unchanged this month at \$3.20-3.80/bu. **World corn production** was increased this month by 1.3 MMT to 991.6 MMT, up slightly from last year, while world corn ending stocks were increased by 0.7 MMT this month to 192.2 MMT, up 11% from last year.

Corn competitor / buyer news – USDA raised their Chinese corn production estimate this month by 1.5 MMT to 215.5 MMT and lowered their Argentine production estimate by 1.0 MMT to 22.0 MMT, due to smaller projected plantings. There is considerable debate in the marketplace about the actual size and quality of the Chinese corn crop and their stocks, with some private analysts speculating this week that a considerable amount of this year's crop may be left unharvested due to poor quality. **For now, USDA is projecting that China is holding about 41% of the world's corn stocks which are not expected to move onto the world market, which suggests the world corn stocks situation might be tighter than world S&D estimates indicate.**

Futures Market trends this week

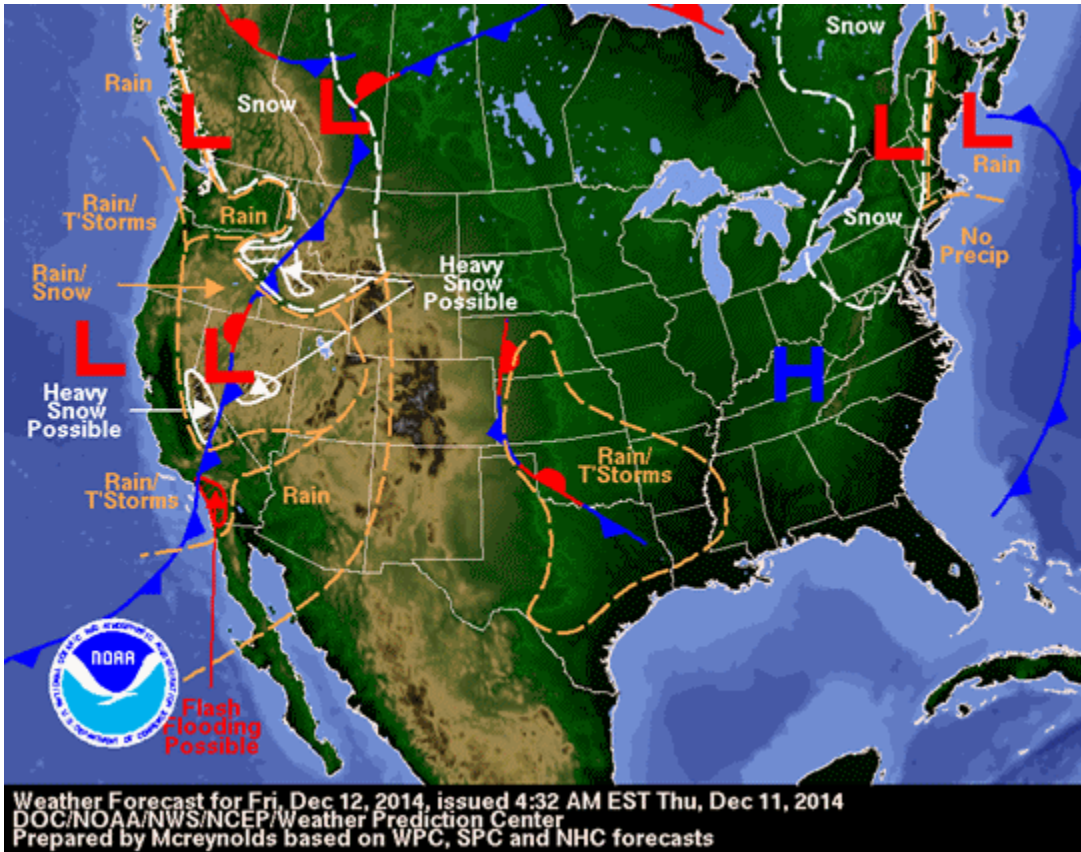
WHEAT – After a strong close on Friday, wheat finished mixed on Monday as concerns about potential winterkill in Russian winter wheat crop faded and weekly U.S. wheat export shipments were disappointing. Improving changes for rain across the Central and Southern Plains also added to the mostly negative tone. Wheat posted a bearish reversal lower on Tuesday, driven by fund selling sparked by overbought technical condition and improving weather both the U.S. and Russia. Wheat prices continued to erode on Wednesday in the face of bearish leaning S&D report which showed higher than expected domestic and world wheat stocks. Wheat was pulled higher today (Thursday) by spillover support which overrode continuing pressure from a higher dollar, which is now trading at a 5 year high. **Wheat market closes on Thursday, 12/11/14...please note we have shifted to the Mar 2015, May 2015 and July 2015 contracts...**

	Mar 2015	Weekly Summary	May 2015	Weekly Summary	July 2015	Weekly Summary
Chicago SRW	\$5.97½	Up \$0.03½	\$6.00¼	Up \$0.01¼	\$6.00¼	Down \$0.02
KC HRW	\$6.27½	Down \$0.11¾	\$6.31½	Down \$0.11¾	\$6.34¾	Down \$0.08 ½
MGE DNS	\$6.15¼	Down \$0.07¾	\$6.22¾	Down \$0.07	\$6.30½	Down \$0.06½

CORN – Corn finished lower in choppy trading on Monday, under pressure from weaker technicals. Corn posted a bullish reversal higher on Tuesday on fresh fund buying sparked by improving export sales. Choppy two-sided trading pulled corn

prices modestly lower on Wednesday despite a bullish lilt to the USDA supply and demand report. Corn finished solidly higher today (Thursday) on good export sales which is igniting talk that corn exports will continue to improve this winter as the large U.S. soybean export program starts to slow down. **Corn futures contract closes on Thursday, 12/11/14... Mar. 2015 contract at \$3.98½, up \$0.03½ for the week, May 2015 contract closed at \$4.06½, up \$0.02 and the July 2015 contract closed at \$4.12½, up \$0.02 ½ for the week.**

CRUDE OIL –DOE reported that crude oil inventories increased by 1.45 million bbl, compared to an expected decrease of 2.7 million bbls. Distillates increased by 5.577 million bbls while gasoline stocks were up a whopping 8.197 million bbls. **Crude oil futures finished \$0.99 lower on Thursday to close at \$59.95/bbl, down \$5.89/bbl for the week.**



INTERNATIONAL WEATHER / CROP OUTLOOK –

- **Australia** – Eastern Australia continues to receive unfavorable rain at harvest.
- **Brazil** – Parana and Mato Grosso (#1 and 2 corn producing states) continue to experience unfavorable moisture deficits, despite a pick up in rains recently.
- **Argentina** – Key wheat growing areas continued to receive unfavorable rains at harvest time across the central and southern belt. Wheat harvest is estimated to be 48% completed.

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/>

2015 GRAIN MARKETING & HEDGING 101 WORKSHOPS sponsored by the Idaho Barley Commission and DL Evans Bank, 8:30 a.m. to noon.

- Jan. 14 – Hampton Inn, Idaho Falls
- Jan. 15 – Burley Inn

Pre-registration required by Jan. 7 calling Kelly Olson at Idaho Barley Commission at 208.334.2090 or 208.409.9165, or emailing kolson@idahobarley.org

UI Extension Farm & Ranch Management Classes will begin Jan. 14, 2015, at Madison Senior Center in Rexburg from 1:00 to 4:00 pm (classes will run 6 consecutive weeks). Pre-registration required by Jan. 9 by calling Ben Eborn at Teton County Extension, 208.354.2961 (\$100 per operation).

FARM BILL & CROP INSURANCE WORKSHOPS – NORTH IDAHO, 8:30 a.m. to noon, with breakfast

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

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