

# Idaho Grain Market Report, October 9, 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, October 8, 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> Open market malting	<u>Wheat (bu.)</u> <u>Milling</u>		
			#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	\$5.00	\$12.50	Feed wheat \$3.53 Milling \$5.84	\$5.26	\$6.30
Blackfoot / Pocatello	NQ	\$10.00	\$5.75	\$6.36	\$6.37
Grace / Soda Springs	\$4.55	NQ	\$5.80	\$5.80	\$6.55
Burley / Rupert	\$5.20 – 5.50	\$12.50	\$5.30 - 5.85	\$5.51	\$6.15
Hazelton					
Twin Falls / Eden / Buhl	\$5.00 - 5.75		Feed wheat \$2.75 – 3.00	NQ	NQ
Weiser	\$6.20	NQ	\$5.82	NQ	NQ
Nez Perce / Craigmont	\$5.80		\$5.87	\$6.69	\$8.28
Lewiston	\$6.30		\$6.12	\$6.94	\$8.53
Moscow / Genesee	\$5.80 - 6.10		\$5.89–6.03	\$6.72-6.90	\$8.30–8.44

### 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	\$6.55¼ - 6.87¼	\$7.26½ - 7.51½	\$9.05 – 9.15
Los Angeles	\$8.35 – 8.50	NQ	NQ	\$8.46 (13%)	NQ
Tulare	\$8.35 - 8.50	NQ	NQ	NQ	NQ
Ogden	\$4.90	NQ	\$6.20	\$6.10	\$7.00
Great Falls	NQ	\$12.00	NQ	\$5.24 – 5.27 (12%)	\$6.35 – 6.41
Minneapolis	\$5.10	\$15.31	NQ	\$6.46½	\$7.75 –8.15

### Market trends this week

**BARLEY** – Local feed and open market making barley prices remained mostly steady this week. USDA reported barley export sales last week reached a marketing year high of 32.5 TMT to China and Morocco and barley export shipments were also a marketing year high of 28 TMT to Morocco and Taiwan.

**WHEAT** – Local wheat prices were mostly higher this week: SWW prices ranged from steady to plus 16 cents; HRW prices ranged 19 to 42 cents higher; and DNS prices ranged 10 to 30 cents higher. USDA reported last week's wheat export sales were below trade expectations at 372.4 TMT, down 50% from the previous week and 30% from the prior 4-week average. Wheat export shipments totaled 668.5 TMT, up 21% from the previous week and up 14% from the 4-week average.

**MY 2014/15 WHEAT ending stocks estimate** – USDA will release their October World Grain Supply & Demand (WASDE) report on Friday, Oct. 10. The pre-report trade estimate for domestic wheat stocks is **704 million bu**, up from USDA's Sept. estimate of 698 million bu, due to higher spring wheat production.

**CORN** – USDA reported corn export sales were above trade expectations at 784 TMT. Corn export shipments last week remained strong at 978.1 TMT.

**Ethanol corn usage** – DOE's Energy Information Agency reported an improvement in weekly ethanol production despite break-even margins in ethanol processing –up 20,000 bpd to 901,000 bbls per day, which is up 2.27% from a week ago and up 3.8% from a year ago. Corn used to produce ethanol totaled 94.6 million bu, bringing cumulative corn use to 447.7 million bu.

**MY 2014/15 CORN production, yield and ending stocks estimates** - The pre-report trade estimates are:

MY 2014/15 S&D	Oct. 10 Pre-Report Trade Estimates	Sept. 11 USDA Estimate
National ave. yield	175 bpa	171.7 bpa
Harvest acres	83.158 million Some analysts expect acreage cuts to be 2-3 million	83.8 million
Production	14.506 billion bu	14.395 billion bu
Ending Stocks	2.15 billion bu	2.0 billion bu

**Corn Competitor / Buyer News** – Rumors this week that Ukraine has traded some corn to China, indicating that Chinese stocks may not be sufficient to meet demand.

#### Futures Market trends this week

**WHEAT** – Wheat prices began the week firmer on short covering and some fresh fund buying sparked by a lower dollar, bullish technical signals (both 9 day and 18 day moving averages are trending higher) and concerns that poor finishing weather may cut 2 to 3 MMT from the Argentine and Australian wheat crops this year. Stronger European wheat values provided underlying support. Wednesday saw mixed to fractionally lower prices on light profit-taking. Chicago wheat closed higher on spillover support from corn. Prices finished double digits lower today (Thursday) on pressure from weaker than expected wheat export sales and profit-taking. **Wheat market closes on Thursday, 10/09/14...**

	<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	\$4.93 <sup>3</sup> / <sub>4</sub>	Up \$0.07 <sup>1</sup> / <sub>2</sub>	\$5.05 <sup>1</sup> / <sub>4</sub>	Up \$0.08 <sup>1</sup> / <sub>2</sub>	\$5.11 <sup>3</sup> / <sub>4</sub>	Up \$0.6 <sup>1</sup> / <sub>2</sub>
KC HRW	\$5.72 <sup>3</sup> / <sub>4</sub>	Up \$0.04 <sup>3</sup> / <sub>4</sub>	\$5.75 <sup>1</sup> / <sub>4</sub>	Up \$0.06 <sup>1</sup> / <sub>2</sub>	\$5.76 <sup>1</sup> / <sub>4</sub>	Up \$0.05 <sup>3</sup> / <sub>4</sub>
MGE DNS	\$5.53 <sup>1</sup> / <sub>2</sub>	Up \$0.10	\$5.66	Up \$0.07 <sup>3</sup> / <sub>4</sub>	\$5.75 <sup>1</sup> / <sub>2</sub>	Up \$0.07 <sup>1</sup> / <sub>4</sub>

**CORN** – Corn futures posted their best performance in nearly a month this week, breaking out of their steep downtrend channel that has been in place since May. Support came from a slowdown in harvest activity due to heavy bands of moisture moving through the Central and Eastern belts and improving technicals which sparked fresh fund buying (new longs) and short covering. Corn finished modestly higher today (Thursday) on better than expected export sales and continued rain harvest delays. Gains were limited by profit-taking and positioning ahead of Friday's monthly S&D report. **Corn futures contract closes on Thursday, 10/09/14... Dec. 2014 contract at \$3.44<sup>3</sup>/<sub>4</sub>, up \$0.21<sup>1</sup>/<sub>2</sub> for the week, Mar. 2015 contract closed at \$3.56<sup>3</sup>/<sub>4</sub>, up \$0.20<sup>1</sup>/<sub>2</sub> and the May 2015 contract closed at \$3.66<sup>1</sup>/<sub>2</sub>, up \$0.21<sup>1</sup>/<sub>2</sub> for the week.**

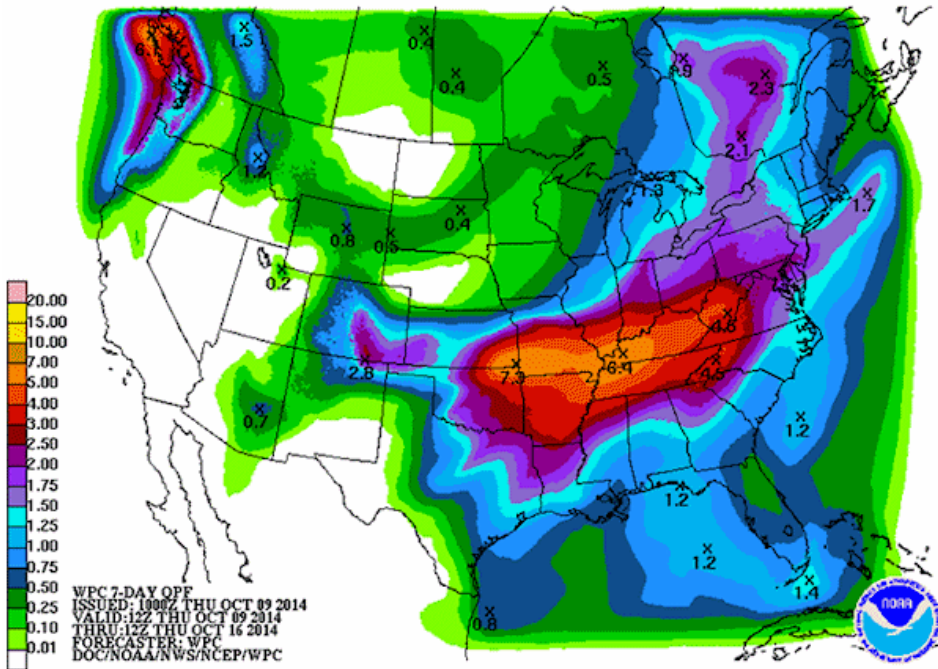
**CRUDE OIL** – The recent downtrend in crude oil prices remained solidly in place this week, with the dominant features a strong dollar and demand uncertainties in the face of a potential global economic slowdown. Higher than expected domestic crude oil inventories added to the bearish sentiment. DOE reported that crude oil inventories increased by 5.015 million bu, compared to an expected increase of 2.0 million bbls. Distillates decreased by 439,000 bbls, compared to an expected decline of 1.25 million bbls. Gasoline stocks increased by 1.18 million bbls, compared to an expected decrease of 500,000 bbls. **Crude oil futures finished \$1.58 lower on Thursday to close at \$85.77/bbl.**

#### US WEATHER / CROP OUTLOOK –

**West** – Mostly dry and near record high temperatures this week. Winter wheat seeding is progressing rapidly across Idaho, with good moisture in far north and southern/eastern regions. North-Central prairie remains dry and is in need of rain for good emergence. The **6-10 day outlook** calls for normal temperatures and above average precip. **Plains** – Remnants of Hurricane Simon continued to spin scattered showers across the Central and Southern Plains this week. Moisture has improved significantly across much of this key Hard Red Winter wheat region, but some areas in the southern belt remain dry, as depicted in the **Drought Monitor** below. The **6-10 day outlook** calls for above normal temps and below normal precip for much of the Central and Southern Plains. The Northern Plains (Dakotas) were cool and dry this week. **Midwest Corn Belt** – The convergence of a cold front and remnant tropical moisture created a wide band of

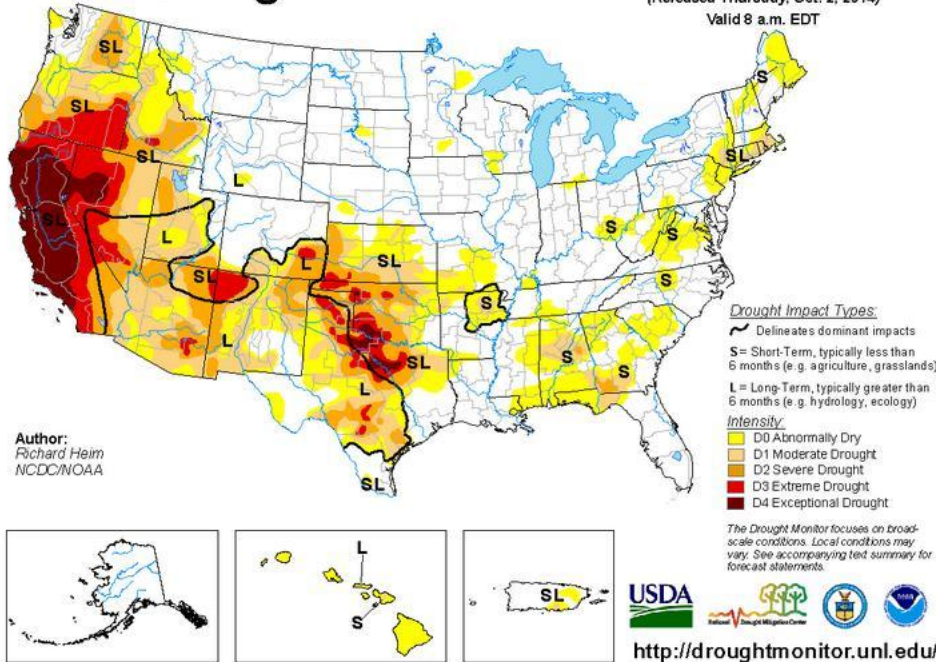
heavy shower activity in the Central and Lower Mississippi River Valley this week, with heaviest amounts centered on MO, IL, IN and OH. The **6-10 day outlook** calls for another cold front to swing through the Lower Mississippi River Valley early next week, producing more rain harvest delays.

**7-day precipitation map**



**U.S. Drought Monitor**

September 30, 2014  
 (Released Thursday, Oct. 2, 2014)  
 Valid 8 a.m. EDT



**USDA Crop Progress / Condition Report, October 6, 2014**

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	56% planted 28% emerged	43%	NA	53%			
ID winter wheat	62% planted 22% emerged	49%	NA	63%			
Corn	77% mature	60%	NA	81%	74%	74%	NA

	17% harvested	12%	NA	32%			
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**INTERNATIONAL WEATHER / CROP OUTLOOK –**

- **Canada** – Mostly cool and dry this week, favorable for spring grain harvest to near completion.
- **Ukraine** – Mostly dry this week.
- **Russia** – Mostly dry, with southern region experiencing low soil moisture which could affect wheat emergence and development. **Russian sources project winter wheat acreage will increase as much as 12% this year due to mostly favorable planting doncitions, but moisture is needed for good plant stand establishment.**
- **China** – Central winter wheat belt dry for next two weeks.
- **Argentina** – Recent excessive moisture is likely to affect quality of winter small grains. **Local sources indicate that as much as 20% of the maturing wheat may be at risk of quality downgrades.**
- **Australia** – **Winter grain harvest has begun** – western region reports disappointing yields in northern production areas due to hot and windy conditions; eastern region reports disappointing yields due to 50% of normal precipitation this growing season.