



February 20, 2020

CONTENTS

Chicago Board of Trade Market News 2

CBOT March Corn Futures 4

U.S. Weather/Crop Progress 6

U.S. Export Statistics 7

FOB 8

Distiller’s Dried Grains with Solubles (DDGS)..... 10

Country News 11

Ocean Freight Markets and Spreads 12

Ocean Freight Comments 13

For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Cary Sifferath at (202) 789-0789.

The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has ten international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.

Chicago Board of Trade Market News

Week in Review: CME Corn March Contract					
\$/Bu	Friday February 14	Monday February 17	Tuesday February 18	Wednesday February 19	Thursday February 20
Change	-1.75		5.25	-2.50	-2.00
Closing Price	377.75		383.00	380.50	378.50
Factors Affecting the Market	March corn moved lower and posted its third straight week of sideways trade. China is thought to have bought 0.5 MMT of Ukrainian corn this week, pressuring U.S. corn markets and export chances. South Korea has been a solid buyer of U.S. corn, however. The strong U.S. dollar remains an export headwind.	Markets were closed for the U.S. President's Day holiday.	Higher wheat futures helped corn advance towards the top of its trading range. China announced 697 products, including corn, can be exempt from tariffs upon petition by importers. That should help spur U.S. exports. South American weather is still favorable for crop growth. The U.S. dollar rose 44 bps.	More sideways trade occurred as the trade looks forward to Thursday's Ag Outlook by USDA. Traders are expecting large corn acres, 94.5 million, at the expense of soybeans. Cash corn prices are firming which should support futures on breaks. The U.S. dollar moved 27 bps higher.	USDA said its early estimate of 2020 U.S. corn acres is for 94.0 million, up 5 percent from 2019. Other news was light with the Export Sales report delayed until Friday. Outside markets worked against commodities today, with U.S. equities falling and the U.S. Dollar Index up another 16 bps.

Outlook: March corn futures are $\frac{3}{4}$ cents (0.2 percent) lower this week as the market continues its sideways pattern. Fresh fundamental news is typically light during this time of year, and 2020 has been no exception so far.

At the opening session of the USDA's annual Ag Outlook Forum in Washington, D.C. this morning, the agency projected 2020 corn acreage of 94 million acres, which, if realized, would be 5 percent higher than the 89.7 million planted in 2019. The agency also set early expectations for the 2020/21 U.S. average corn price at \$3.60/bushel. The agency hinted at stronger ag exports due to the Phase One U.S-China trade deal but offered few specific forecasts. USDA did provide a forecast that shows expectations for a modest decline in global corn stocks over the coming 5 years. The trade interpreted the morning's news as slightly bearish for 2020 futures prices.

The weekly Export Sales report is delayed one day due to Monday's holiday in the U.S. and will be released Friday, February 21. The Export Inspections report, released earlier this week, showed 795,000 MT of corn was inspected for export last week, up 1 percent from the prior week. YTD inspections are down 49 percent. The report also showed 74,000 MT of sorghum inspections and 144 MT of barley exports. YTD sorghum and barley exports are up 63 and 315 percent, respectively.

Cash corn prices continue to firm across the U.S. with solid commercial demand underpinning values. Basis levels now average 10 cents under March futures, up from last week and well above last year's level of 62 cents under March futures. Improvements in river transportation logistics this week have allowed barge CIF NOLA prices to work their way slightly lower while FOB Gulf offers are unchanged this week at \$177/MT for spot shipment.

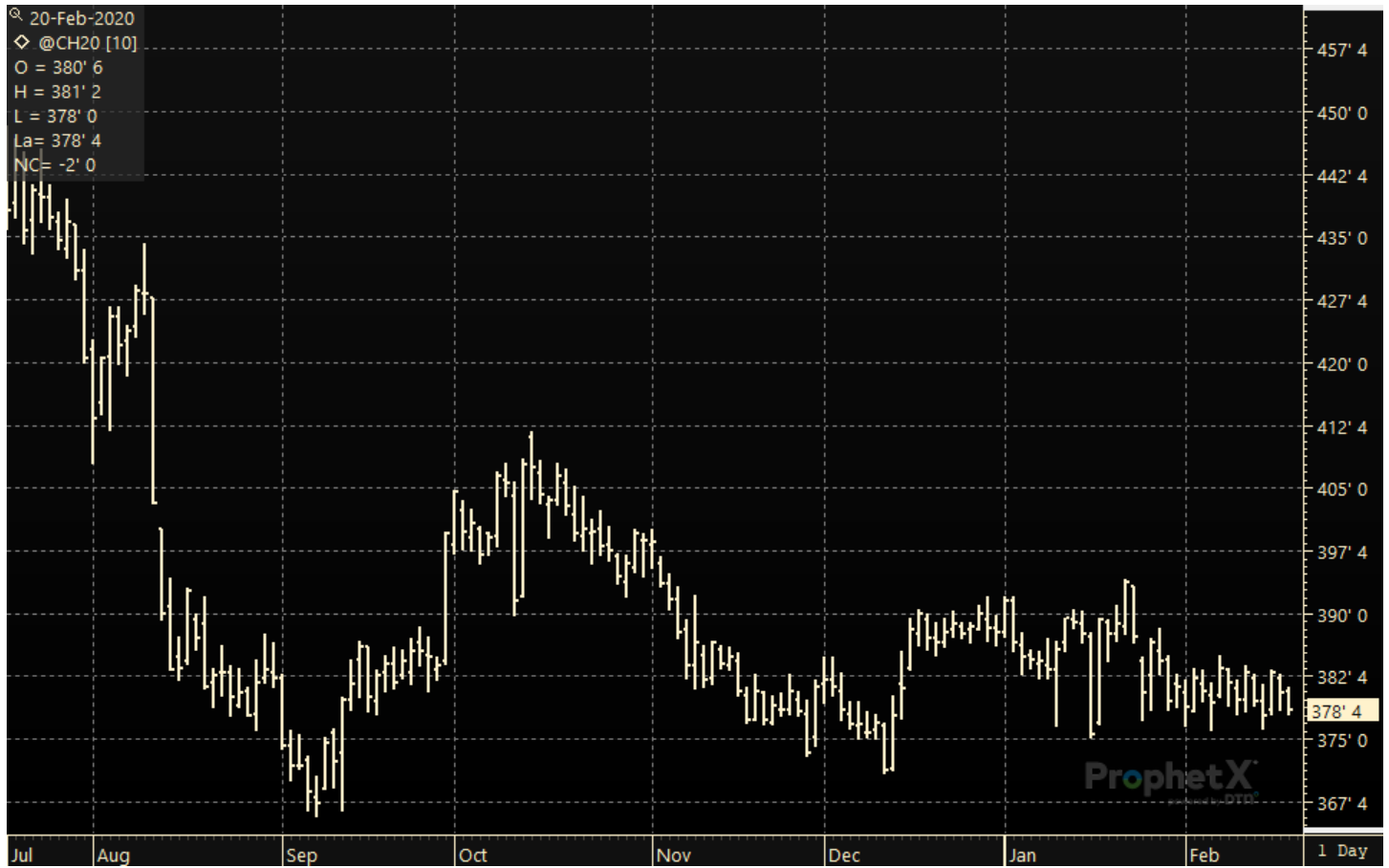
From a technical standpoint, March corn remains range-bound and continues to find eager sellers on rallies and willing buyers on breaks. Noncommercial traders still hold a small net long position, which is helping keep the market supported. Tuesday's wheat market rally created spillover buying in corn futures and continued strength in that market may also help corn grind higher. Futures spreads are firming slightly but remain well within normal values for this time of year, suggesting commercial firms are seeing neither bearish nor bullish conditions presently. With the Outlook Forum's numbers now factored into the market, traders and analysts will return to watching spring weather in the U.S. to gauge just how close the final planting number will be to today's forecast.

Interest Rates and Macroeconomic Markets, February 20, 2020						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	4.8	0.0	0.0%	0.0	0.0%	
LIBOR (6 Month)	1.7	0.0	-1.5%	-0.1	-6.9%	
LIBOR (1 Year)	1.8	0.0	-2.4%	-0.2	-7.8%	
S&P 500	3,373.2	-0.7	0.0%	47.7	1.4%	
Dow Jones Industrials	29,220.0	-203.3	-0.7%	59.9	0.2%	
U.S. Dollar	99.9	0.8	0.8%	2.2	2.2%	
WTI Crude	53.9	2.5	4.8%	-1.7	-3.0%	
Brent Crude	59.3	3.0	5.3%	-2.7	-4.4%	

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 4:07 PM ET

CBOT March Corn Futures



Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week Ending February 20, 2020			
Commodity	20-Feb	14-Feb	Net Change
Corn			
Mar 20	378.50	377.75	0.75
May 20	382.75	382.00	0.75
Jul 20	385.50	385.50	0.00
Sep 20	384.00	384.25	-0.25
Soybeans			
Mar 20	892.75	893.75	-1.00
May 20	901.00	903.25	-2.25
Jul 20	911.00	915.50	-4.50
Aug 20	913.75	919.25	-5.50
Soymeal			
Mar 20	292.90	291.10	1.80
May 20	298.30	296.60	1.70
Jul 20	303.10	302.40	0.70
Aug 20	304.20	304.20	0.00
Soyoil			
Mar 20	30.12	30.57	-0.45
May 20	30.47	30.94	-0.47
Jul 20	30.84	31.33	-0.49
Aug 20	30.98	31.46	-0.48
SRW			
Mar 20	560.00	542.75	17.25
May 20	559.25	541.50	17.75
Jul 20	558.75	541.00	17.75
Sep 20	564.50	547.25	17.25
HRW			
Mar 20	473.75	465.50	8.25
May 20	481.00	472.25	8.75
Jul 20	488.25	478.75	9.50
Sep 20	496.25	486.50	9.75
MGEX (HRS)			
Mar 20	529.50	525.50	4.00
May 20	540.00	535.50	4.50
Jul 20	549.25	543.50	5.75
Sep 20	558.50	552.50	6.00

*Price unit: Cents and quarter-cents/bu. (5,000 bu.)

U.S. Weather/Crop Progress

U.S. Drought Monitor Weather Forecast: During the next 5 days (February 20-24), another round of moderate to heavy precipitation (1-3 inches) is expected for the Pacific Northwest (western Washington and Oregon, northern Idaho), the central Great Plains, and from central Texas eastward across the Southeast to the Carolina Coasts. Light to moderate amounts (0.5-1 inch) are possible in the Four Corners Region, the Rockies, western Corn Belt, and eastern sections of the Northeast. Little or no precipitation is forecast for most of California, northern Nevada and Utah, eastern Oregon, southern Idaho, across the northern Plains, upper Midwest, and Great Lakes region, and southern Florida. Temperatures should average below-normal across the Northwest, Rockies, and southern half of the contiguous U.S., and above-normal in the Southwest, northern Plains, upper Midwest, and southern Florida.

In the extended range forecast for the ensuing 5 days (February 25-29), odds favor above-normal precipitation throughout Alaska, and from the central Plains northeastward into the Great Lakes region, the western and central Gulf Coasts, and the eastern quarter of the Nation. Subnormal precipitation is favored west of the Rockies, the northern and southern Plains, and the lower Mississippi Valley. Temperatures are likely to be below-normal across much of the lower 48 States and western Alaska, with low odds for above-normal temperatures in California, the Northeast Coast, southern Florida, and south-central and southeastern Alaska.

Follow this link to view current U.S. and international weather patterns and future outlook: [Weather and Crop Bulletin](#).

U.S. Export Statistics

Note: Due to the U.S. President's Day holiday on Monday, the weekly Export Sales report is delayed until Friday, February 21, 2020. Updated export statistics will be provided in next week's report.

U.S. Export Inspections: Week Ending February 13, 2020					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	144	8,830	28,432	6,852	415%
Corn	795,228	788,549	12,308,616	24,190,837	51%
Sorghum	74,141	77,577	1,300,785	799,017	163%
Soybeans	992,294	640,620	28,277,053	23,812,175	119%
Wheat	501,990	567,349	17,730,804	15,753,830	113%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and Sept. 1-Aug. 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions & cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending February 13, 2020						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	465,866	59%	0	0%	59,328	80%
PNW	205,564	26%	0	0%	9,088	12%
Interior Export Rail	123,774	16%	24	100%	5,725	8%
Total (Metric Tons)	795,204	100%	24	100%	74,141	100%
White Corn Shipments by Country (MT)			24	to Ireland		
Total White Corn			24			
Sorghum Shipments by Country (MT)					47,986 20,430 5,725	to China to Japan to Mexico
Total Sorghum					74,141	

Source: USDA, World Perspectives, Inc.

FOB

Yellow Corn (USD/MT FOB Vessel)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis (#2 YC)	Flat Price (#2 YC)	Basis (#2 YC)	Flat Price (#2 YC)
March	0.69+H	\$176.17	1.11+H	\$192.71
April	0.66+K	\$176.66	1.09+K	\$193.39
May	0.67+K	\$176.86	1.10+K	\$193.99

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	March	April	May
Gulf	\$197	\$197	\$197

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
March	0.95+H	\$186.41	0.78+H	\$179.71
April	0.95+K	\$188.08	0.75+K	\$180.21
May	0.95+K	\$188.08	0.78+K	\$181.39

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	April	May	June
New Orleans	\$199	\$200	\$201
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$583	\$585	\$587
<i>*5-10,000 MT Minimum</i>			

DDGS Price Table: February 20, 2020 (USD/MT)
 (Quantity, availability, payment and delivery terms vary)

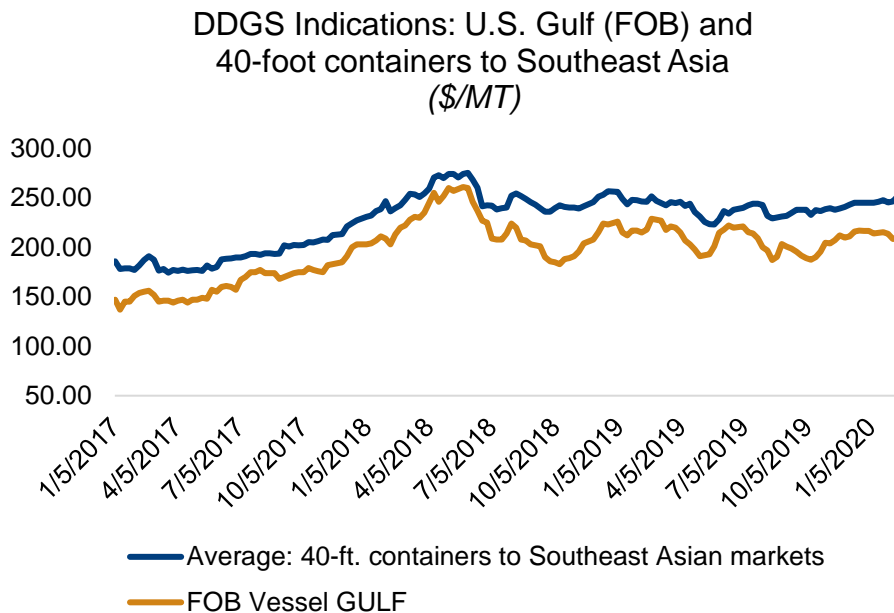
Delivery Point Quality Min. 35% Pro-fat combined	March	April	May
Barge CIF New Orleans	204	203	203
FOB Vessel GULF	213	214	215
Rail delivered PNW	222	223	224
Rail delivered California	225	226	227
Mid-Bridge Laredo, TX	222	223	224
FOB Lethbridge, Alberta	200	201	202
40 ft. Containers to South Korea (Busan)	240	238	238
40 ft. Containers to Taiwan (Kaohsiung)	238	235	235
40 ft. Containers to Philippines (Manila)	251	249	249
40 ft. Containers to Indonesia (Jakarta)	243	241	241
40 ft. Containers to Malaysia (Port Kelang)	244	241	241
40 ft. Containers to Vietnam (HCMC)	249	247	247
40 ft. Containers to Japan (Yokohama)	248	246	246
40 ft. containers to Thailand (LCMB)	256	253	253
40 ft. Containers to China (Shanghai)	236	234	234
40 ft. Containers to Bangladesh (Chittagong)	271	268	268
40 ft. Containers to Myanmar (Yangon)	272	269	269
KC Rail Yard (delivered ramp)	206	204	206
Elwood, IL Rail Yard (delivered ramp)	201	199	201

*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: Cash corn prices are firmer across the U.S. this week with basis rising to 10 cents under March futures. Prices for DDGS FOB ethanol plants are steady while cash soybean meal prices continued last week's recovery and are \$4/MT higher. DDGS are priced at 107 percent of cash corn values, equal with last week and slightly above the three-year average. The DDGS/soymeal price ratio is 0.49, down from the prior week and above the three-year average.

DDGS markets are firmer this week with demand increasing for various destination markets. Merchandisers are reporting a "decent amount" of export sales in the past few days. That has supported DDGS values across the board. Barge CIF NOLA values are \$2/MT higher while FOB Gulf offers are up \$5/MT for March/April/May positions. U.S. rail rates have firmed again following last week's weakness and are \$2-3/MT higher. Offers for 40-foot containers to Asia are mostly higher with rates to Vietnam, Japan, and Myanmar up \$2-3/MT while prices for product to Thailand and Indonesia are down slightly after rising last week. The average offer for containers to Southeast Asia is unchanged from last week at \$253/MT for March shipment and \$250/MT for April.



Source: World Perspectives, Inc.

Country News

Algeria: ONAB booked corn likely from Ukraine with delivery slated for the last half of March. (AgriCensus)

China: Up to six cargoes or 500 KMT of corn was purchased from Ukraine. (AgriCensus)

EU: Barley production in 2020 is forecast at 60.8 million tons, down from 62.2 million last year. Corn production will rise by 6.5 percent to 65 MMT. (Coceral)

Japan: The first cargo of 2020 U.S. corn is expected to arrive in the next few days. (SPGlobal Platts)

South Korea: Higher wheat prices have spurred the purchase of 260 KMT of corn with MFG taking four of the cargoes and Feed Leaders Committee (FLC) purchasing 68 KMT of corn from the Black Sea in a private transaction valued at \$212/MT. (AgriCensus; SPSGlobal Platts)

South America: The Buenos Aires Grain Exchange says Argentine corn planting is now complete and good rains could increase output. In Brazil, Mato Grosso's planting of the safrinha corn crop is at 63.2 percent, versus the five-year average of 52.16 percent, but it is behind last year's pace amid strong demand. It also said that the region is on course to supply 42 percent of the world's corn import needs. (AgriCensus; SPSGlobal Platts)

Thailand: TFMA bought barley with a price tag of \$230/MT. (AgriCensus)

Tunisia: The government's ODC bought 75 KMT of barley for delivery in March/April. (AgriCensus)

Ukraine: The consultancy ProAgro says that corn production for 2020 will be 35.849 MMT, about the same as last year. (Refinitiv)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* February 20, 2020			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$43.25	Up \$0.50	Handymax \$44.25 MT
55,000 U.S. PNW- Japan	\$22.75	Up \$0.50	Handymax \$24.00 MT
66,000 U.S. Gulf – China	\$41.75	Up \$0.50	North China
PNW to China	\$21.75	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$13.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25-35,000 U.S. Gulf – East Coast, Colombia	\$19.25	Up \$0.25	<u>West Coast Colombia at \$26.50</u> USG to E/C 50,000 MT at \$15.75
From Argentina	\$33.00		
43-45,000 U.S. Gulf - Guatemala	\$28.25	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$33.25	Up \$0.50	8,000 MT daily discharge
26-30,000 US Gulf-Morocco	\$33.75		3,000 MT daily discharge
26-30,000 US Gulf-Morocco	\$33.75	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$25.00	Up \$0.50	60,000 - 55,000 MT Romania- Russia- Ukraine \$12.00 -\$11.25 -\$12.00
PNW to Egypt	\$25.00		France \$16.00
60-70,000 U.S. Gulf – Europe, Rotterdam	\$14.50	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China	\$31.25	Up \$0.50	54-59,000 Supramax- Panamax
Brazil, Santos – China	\$29.75		60-66,000 Post Panamax
Itacoatiara-Port Upriver North Brazil	\$33.75		Upriver No. Brazil Plus - 55,000 MT Plus \$7.50/MT
56-60,000 Argentina/Rosario – China, Deep Draft	\$33.75	Up \$0.50	Upriver with BB Top Off \$38.25

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

Ocean Freight Comments

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: Spot and nearby dry-bulk freight markets are still depressed but edged slightly higher this week. The open question for vessel owners is, should they capture the carry in the market by booking/selling the Q3 and Q4 values or continue to wait and hope that things improve in the next 3-4 months? Grain traders would caution that it is always best to lock in the carry in such markets as the better deferred market values generally tend to collapse as time moves forward. Dry-bulk markets have witnessed brief periods of support (measured in hours), only to run into selling pressure on every tick higher. The 30-day market is the one to watch for directional signals and, for the moment it is depressed and looking for bids.

Baltic-Panamax Dry-Bulk Indices				
February 20, 2020	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	14,023	11,372	2,651	23.3
P3A: PNW/Pacific– Japan	6,081	3,268	2,813	86.1
S1C: U.S. Gulf-China-S. Japan	18,772	18,383	389	2.1

Source: O'Neil Commodity Consulting

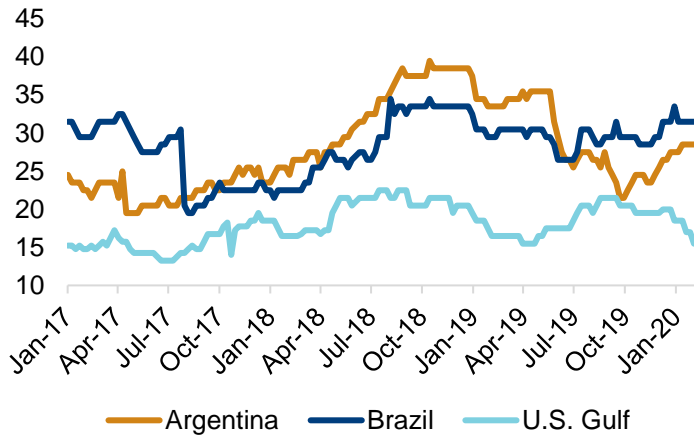
Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$7.10-7.30
Three weeks ago:	\$7.00-7.20
Two weeks ago:	\$6.00-6.15
One week ago:	\$5.75-6.00
This week	\$2.80-5.90

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
February 20, 2020	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.40	0.71	0.69	\$27.16	GULF
Soybeans	1.00	0.70	0.30	\$11.02	PNW
Ocean Freight	\$21.75	\$41.75	0.51-0.54	\$20.00	March

Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates to Europe from Select Origins



Source: World Perspectives, Inc., O'Neil Commodity Consulting

Bulk Grain Freight Rates for Key Suppliers and Destinations
February 20, 2020

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		43.25	-2.75	-6.0%	4.25	10.9%	
U.S. PNW	Japan	22.75	-2	-8.1%	0.5	2.2%	
Argentina		32.50	-3	-8.5%	2	6.6%	
Brazil		29.50	-4	-11.9%	4	15.7%	
U.S. Gulf		41.75	-2.75	-6.2%	4	10.6%	
U.S. PNW	China	21.75	-2.25	-9.4%	0	0.0%	
Argentina		33.75	-2.5	-6.9%	2.75	8.9%	
Brazil		33.75	-2.25	-6.3%	6.5	23.9%	
U.S. Gulf		15.45	-3.05	-16.5%	-1.05	-6.4%	
Argentina	Europe	28.50	0	0.0%	-5	-14.9%	
Brazil		31.50	0	0.0%	2	6.8%	
Argentina	Saudi Arabia	44.50	0	0.0%	12	36.9%	
Brazil		47.50	1	2.2%	12	33.8%	
U.S. Gulf		25.50	-3.00	-10.5%	-1.00	-3.8%	
U.S. PNW	Egypt	23.85	-5.10	-17.6%	-4.20	-15.0%	
Argentina		28.50	0.00	0.0%	-3.00	-9.5%	
Brazil		33.50	1.00	3.1%	6.00	21.8%	
<i>Handysize Vessels</i>							
U.S. Gulf		33.50	-2.00	-5.6%	0.00	0.0%	
U.S. Great Lakes	Morocco	42.00	-0.05	-0.1%	-3.60	-7.9%	
Argentina		27.50	0.00	0.0%	4.00	17.0%	
Brazil		43.50	3.00	7.4%	19.00	77.6%	
U.S. Great Lakes	Europe	40.00	-0.05	-0.1%	-4.50	-10.1%	
Brazil		31.50	-0.50	-1.6%	1.50	5.0%	
Argentina	Algeria	33.50	0.00	0.0%	7.00	26.4%	
Brazil		46.50	1.00	2.2%	21.00	82.4%	
U.S. Gulf		19.25	-0.25	-1.3%	-0.25	-1.3%	
U.S. PNW	Colombia	25.40	-6.70	-20.9%	-4.85	-16.0%	
Argentina		33.00	0.00	0.0%	0.00	0.0%	
<i>Shipping Indexes</i>							
Baltic Dry Index		434	-295	-40.5%	-209	-32.5%	

Source: World Perspectives, Inc. and O'Neil Commodity Consulting