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GENERAL COMMENTS

Cash corn prices are higher across the U.S. this week, with basis levels widening as the futures market moved higher. The average U.S. basis hit 25 cents under May futures this week, down from 23 under the prior week. Prices for DDGS FOB ethanol plants are sharply higher this week, up \$16/MT while Kansas City soymeal prices have stabilized and pulled back slightly. DDGS are priced at 133 percent of cash corn values, up from last week and above the three-year average. The DDGS/cash corn ratio is at its highest level since July 2016. The DDGS/soymeal price ratio is 0.48, steady with the prior week and above the three-year average of 0.42.

Nearby DDGS supplies remain tight with ethanol plants cutting back production. Merchandisers report that DDGS exports in April will be strong and that trend is likely to continue into May as well. The expectation is that prices for deferred DDGS shipments will rally later this spring, following the current rise in spot values, as demand should remain strong and the DDGS supply pipeline will remain tight. This week, Barge CIF NOLA values are up \$22/MT for April shipment while FOB Gulf values are up \$16/MT. The market for rail delivered DDGS is exceptionally strong as well, with rates to the PNW and California up \$45/MT or more for April shipment.

Internationally, offers for containerized DDGS to southeast Asia are reflecting strong demand, with the average rate rising \$28/MT for April positions and \$35/MT for May. The average value for containers to Southeast Asia hit \$311/MT this week.



DDGS Price Table: March 26, 2020 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	April	May	June
Barge CIF New Orleans	260	245	241
FOB Vessel GULF	261	243	244
Rail delivered PNW	292	274	270
Rail delivered California	293	278	276
Mid-Bridge Laredo, TX	285	269	267
FOB Lethbridge, Alberta	232	227	224
40 ft. Containers to South Korea (Busan)	305	303	307
40 ft. Containers to Taiwan (Kaohsiung)	301	302	304
40 ft. Containers to Philippines (Manila)	309	311	311
40 ft. Containers to Indonesia (Jakarta)	304	305	306
40 ft. Containers to Malaysia (Port Kelang)	306	306	307
40 ft. Containers to Vietnam (HCMC)	301	301	305
40 ft. Containers to Japan (Yokohama)	308	307	310
40 ft. containers to Thailand (LCMB)	306	306	309
40 ft. Containers to China (Shanghai)	306	305	308
40 ft. Containers to Bangladesh (Chittagong)	327	329	330
40 ft. Containers to Myanmar (Yangon)	324	325	325
KC Rail Yard (delivered ramp)	256	256	258
Elwood, IL Rail Yard (delivered ramp)	253	255	257

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.

OCEAN FREIGHT MARKET

The question being asked now is, have we hit bottom yet? Dry-bulk markets are starting to look worse than most retirement accounts. One has to question how aggressive the paper traders are going to be selling the Baltic indices lower from current levels. The freight charts look depressed out through April and then turn sharply higher in hope that things will improve. Capesize vessel rates are close to record lows. This is going to have dramatic implications for dry-bulk and container vessel owners. The only market doing well is the crude oil sector, due to the high demand for storage space.

On the port side of things, there are reports of disruptions and delays at some Argentine ports and Russia is rumored to be holding back on the issuance of phytosanitary certificates for some exports. There is also talk of some Black Sea countries wanting to hold back/hoard wheat for fear of shortages. These are crazy times.

Source: O'Neil Commodity Consulting

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* March 26, 2020			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$39.00	Down \$2.25	Handymax \$40.25 mt
55,000 U.S. PNW- Japan	\$20.00	Down \$1.25	Handymax \$24.50 mt
66,000 U.S. Gulf – China	\$37.50	Down \$2.50	North China
PNW to China	\$19.00	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$15.00	Down \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$12.00	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
25-35,000 U.S. Gulf – East Coast, Colombia	\$17.25	Down \$0.75	<u>West Coast Colombia at \$25.75</u> USG to E/C 50,000 mt at \$13.75
From Argentina	\$30.75		
43-45,000 U.S. Gulf - Guatemala	\$26.50	Down \$0.75	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.75 \$32.25	Down \$1.75	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$32.00	Down \$1.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$21.50	Down \$2.00	60,000 -55,000 mt Romania- Russia- Ukraine \$10.00 -\$9.75 -\$10.00 France \$14.00
PNW to Egypt	\$21.50		
60-70,000 U.S. Gulf – Europe, Rotterdam	\$12.00	Down \$1.00	Handymax at +\$1.75 more
Brazil, Santos – China	\$25.50	Down \$3.00	54-59,000 Supramax- Panamax
Brazil, Santos – China	\$24.00	Down \$3.00	60-66,000 Post Panamax
Itacoatiara-Port Upriver North Brazil	\$28.00	Down \$3.00	Upriver No. Brazil Plus - 55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario – China, Deep Draft	\$28.50	Down \$3.00	Upriver with BB Top Off \$32.75

Source: O'Neil Commodity Consulting

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

LATEST EXPORT FIGURES

Calendar Year (January-December):

	CY 2017	CY 2018	CY 2019	JAN 19	JAN 20	CHANGE YTD (%)	CHANGE YTD (MT)
<i>World Total</i>	11,027,217	11,805,677	10,786,928	806,615	976,688	21%	170,073
Mexico	2,184,385	2,012,744	2,030,383	199,312	169,854	-15%	-29,458
Korea, South	960,916	1,139,457	1,251,308	89,364	129,058	44%	39,694
Vietnam	308,356	1,246,899	1,203,292	89,356	55,393	-38%	-33,963
Indonesia	728,185	844,722	915,196	90,291	115,632	28%	25,341
Canada	707,259	664,461	609,867	48,292	39,205	-19%	-9,087
Turkey	1,417,099	887,129	575,543	500	86,334	17167%	85,834
Thailand	739,453	1,017,601	574,139	34,969	72,725	108%	37,756
Japan	473,528	466,503	522,310	34,855	52,912	52%	18,057
Ireland	347,360	396,265	265,687	49,072	35,824	-27%	-13,248
Philippines	137,935	199,510	265,153	17,823	30,084	69%	12,261
Taiwan	255,019	220,548	243,980	19,711	25,321	28%	5,610
Morocco	250,419	190,682	223,352	0	21,459		21,459
Israel(*)	257,972	276,156	210,030	0	18,000		18,000
New Zealand(*)	183,857	250,081	208,571	22,000	16,005	-27%	-5,995
Colombia	207,653	220,222	206,674	5,722	10,619	86%	4,897
China	371,667	192,174	180,701	1,918	14,133	637%	12,215
United Kingdom	213,394	323,780	180,625	52,298	21,498	-59%	-30,800
Bangladesh	117,010	150,972	163,727	6,807	4,228	-38%	-2,579
Egypt	138,414	193,254	142,580	0	0		0
Spain	297,687	213,717	103,369	0	0		0
Costa Rica	89,413	77,142	92,190	7,679	10,523	37%	2,844

Marketing Year (September-August):

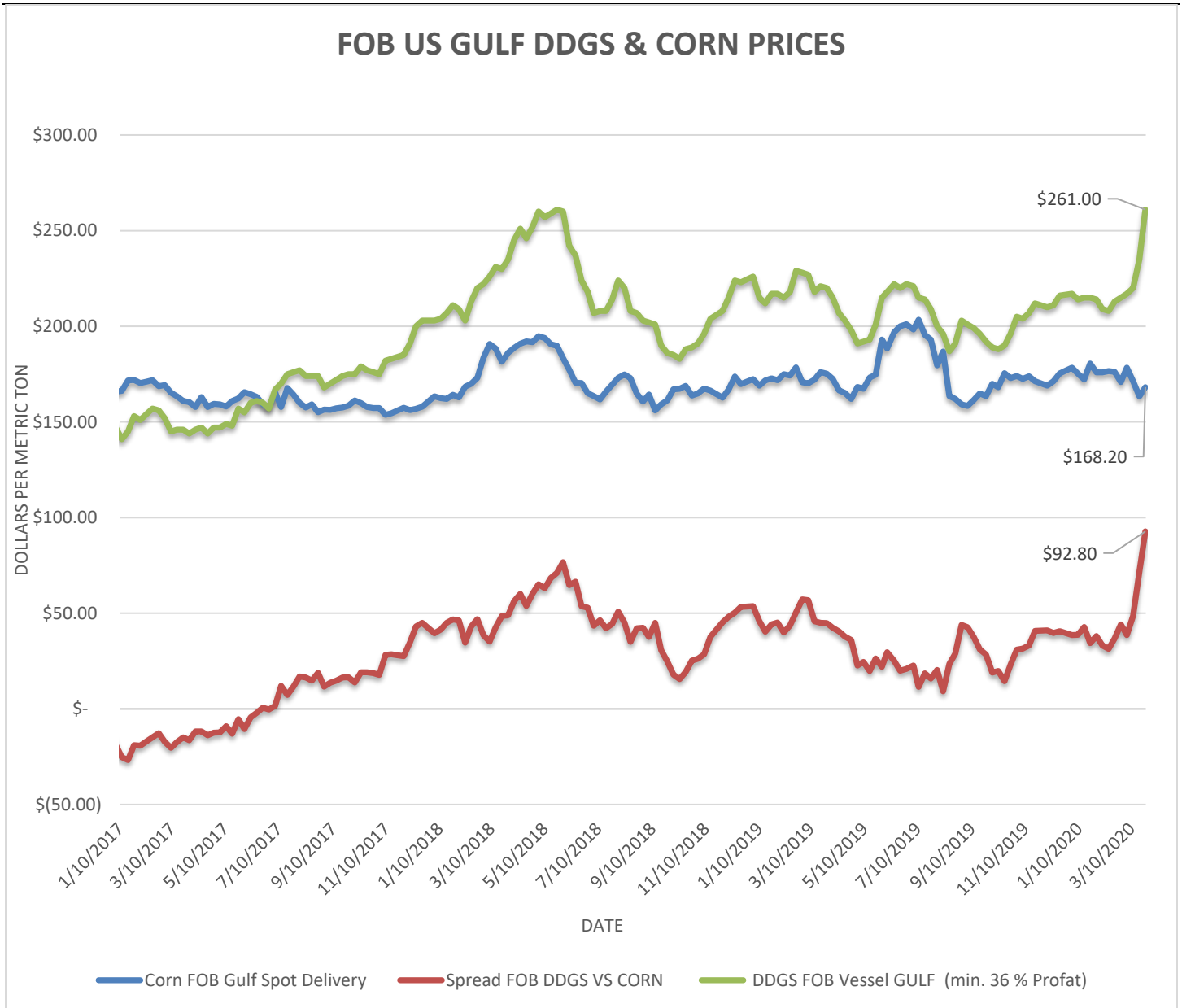
	MY 16/17	MY 17/18	MY 18/19	SEP18-JAN19	SEP19-JAN20	CHANGE YTD (%)	CHANGE YTD (MT)
<i>World Total</i>	11,057,322	11,631,185	11,229,434	4,734,126	4,461,693	-6%	-272,433
Mexico	2,063,793	2,126,783	2,018,663	815,948	798,210	-2%	-17,738
Vietnam	492,917	1,047,601	1,297,141	590,588	462,776	-22%	-127,812
Korea, South	967,740	1,177,720	1,190,507	422,110	522,605	24%	100,495
Indonesia	512,923	809,469	973,751	451,412	418,198	-7%	-33,214
Thailand	786,940	945,404	725,667	396,349	282,577	-29%	-113,772
Canada	669,247	653,993	667,446	273,532	206,866	-24%	-66,666
Japan	427,280	462,677	486,963	190,817	244,221	28%	53,404
Turkey	1,364,617	1,170,598	468,209	42,596	235,764	453%	193,168
United Kingdom	214,781	177,559	362,848	265,451	52,428	-80%	-213,023
Ireland	303,244	383,232	339,843	198,772	111,368	-44%	-87,404
Philippines	151,509	163,693	247,792	102,866	132,488	29%	29,622
Israel(*)	240,468	290,831	237,526	55,191	45,695		-9,496
Taiwan	261,943	218,083	234,571	99,180	114,199		15,019
Morocco	214,223	211,588	218,396	69,974	96,389	38%	26,415
New Zealand(*)	151,075	227,074	202,115	121,948	122,409	0%	461
Colombia	209,008	202,317	201,505	92,744	102,810	11%	10,066
Bangladesh	86,822	145,617	181,132	63,630	43,646	-31%	-19,984
China	735,138	160,715	179,821	79,287	92,382	17%	13,095
Spain	335,152	206,518	179,068	75,699	0		-75,699
Costa Rica	82,722	84,532	88,074	29,693	36,653		6,960
Egypt	148,755	245,526	79,925	1,458	64,113	4297%	62,655

NOTES:

1. Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics
2. (*) denotes a country that is a summarization of its component countries.
3. Users should use cautious interpretation on QUANTITY reports using mixed units of measure. QUANTITY line items will only include statistics on the units of measure that are equal to, grouped commodities. Or are able to be converted to, the assigned unit of measure of the grouped commodities.
4. Product Group : BICO-HS10

CHARTS BASED ON MOST RECENT DATA FROM FAS GATS DATABASE (JANUARY 2020)

FOB US DDGS AND CORN PRICES



FOB US DDGS AND SOYBEAN MEAL PRICES

