



May 28, 2020

The COVID-19 pandemic is changing the markets and our working situations on a day-to-day basis - but what is not changing is the U.S. Grains Council’s commitment to you, our members’ valued customers.

The Council’s staff worldwide are committed to providing you the service and market information you have come to expect from us during this time. While we are teleworking, we remain ready to assist you and encourage you to contact us as issues or questions arise.

The Council wishes all our customers around the world good health and safety during this trying time.

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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 July Contract					
\$/Bu	Friday May 22	Monday May 25	Tuesday May 26	Wednesday May 27	Thursday May 28
Change	0.25		1.00	1.50	7.00
Closing Price	318.00		319.00	320.50	327.50
Factors Affecting the Market	Pre-holiday weekend trading was unexciting and left corn to drift higher. Traders were reluctant to take additional risk heading into the 3-day break. The weather outlook is favorable for planting and crop growth. Outside markets were mixed with the U.S. dollar higher while U.S. equities finished nearly unchanged.	Markets were closed for the U.S. Memorial Day holiday.	Early morning strength found resistance at the 40-day moving avg. that pushed the market off the day's highs. USDA said 43 mbu of corn was inspected for export last week, slightly above trade guesses. Cash prices are firm with farmer selling remaining light. Outside markets were supportive with a weaker US dollar.	Corn futures were listless and traded a 2.5-cent range. Some bull spreading developed, but trading volume was anemic. Technical support is slowly growing, and farmers are waiting for \$3.25 or \$3.30 before selling old or new crop corn. Ethanol margins are improving, and will help corn demand, despite lower crude oil today.	Short covering sent corn sharply higher and above resistance at \$3.25. Buy-stops were triggered and pushed the market to the 50-day moving avg. The weaker U.S. dollar helped the rally, as did bull spreading against soybeans. Crude oil continues to rally, which is boosting ethanol prices/production margins and will aid corn demand.

Outlook: July corn futures are 9.5 cents (3.0 percent) higher this week as firming technical indicators early in the week created a short covering rally Thursday afternoon. Bull spreading also developed on Thursday as traders reacted to signs of growing corn demand. The weekly U.S. Energy Information Agency report showed ethanol production continuing to grow while stocks fall, and the two trends are bullish for corn consumption. A weaker U.S. dollar was helpful for corn and other CBOT markets.

The weekly Export Sales report from USDA is delayed until Friday due to the U.S. Memorial Day holiday, but Tuesday's Export Inspections report featured 1.091 MMT of corn inspected for exports. That figure was down slightly from the prior week but was slightly above the market's pre-report estimates. YTD inspections are down 29 percent at 27.351 MMT. The report also noted 188,000 MT of sorghum inspections, which put YTD inspections up 137 percent.

The U.S. corn crop is 88 percent planted as of Tuesday's USDA report, which is well above last year's dismal pace (55 percent by the same day) and the five-year average (78 percent). This week has featured favorable weather with a dry trend across the Corn Belt and Northern Plains that is allowing farmers to finish planting spring crops. The dry weather is also encouraging crops to develop deeper root systems, which will offer some protection against possible hot/dry conditions this summer. Fortunately, the long-term forecast suggests U.S. crop growing conditions will be close to ideal. The good weather so far has been reflected in the U.S. corn condition ratings, which show 70 percent of the crop in good/excellent condition.

From a technical standpoint, July corn futures posted a strong bullish technical day on Thursday with a 7-cent rally occurring on near-record volume for the contract. Funds were heavily short before the rally and are thought to have bought some 25,000-30,000 contracts. Buy-stops were triggered as the market passed \$3.25, and that helped propel futures to the next technical target of \$3.30. The market settled slightly below the 50-day MA and a close above that point in the coming days will be a strong signal for bulls. Given the recent rally, pullbacks are likely to see increasing support even as hedge selling picks up on rallies. Seasonally, corn trends higher heading into late spring/early summer and it is doubtful speculative traders will want to be short until later in the growing season. Current market conditions don't suggest a wildly bullish market, but momentum is swinging higher and both technical and fundamental support is growing.

Interest Rates and Macroeconomic Markets, May 28, 2020						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	3.3	0.0	0.0%	0.0	0.0%	
LIBOR (6 Month)	0.5	0.0	-6.4%	-0.3	-31.9%	
LIBOR (1 Year)	0.7	0.0	-3.7%	-0.2	-24.3%	
S&P 500	3,051.7	103.2	3.5%	139.3	4.8%	
Dow Jones Industrials	25,598.2	1,124.1	4.6%	1,252.5	5.1%	
U.S. Dollar	98.4	-1.0	-1.0%	-0.7	-0.7%	
WTI Crude	33.8	-0.1	-0.4%	14.9	79.2%	
Brent Crude	36.1	0.0	0.1%	9.6	36.4%	

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 3:17 PM ET

CBOT July Corn Futures



Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week May 28, 2020			
Commodity	28-May	22-May	Net Change
Corn			
Jul 20	327.50	318.00	9.50
Sep 20	331.75	322.75	9.00
Dec 20	340.25	332.75	7.50
Mar 21	352.00	345.25	6.75
Soybeans			
Jul 20	847.00	833.25	13.75
Aug 20	849.25	836.50	12.75
Sep 20	850.50	838.50	12.00
Nov 20	856.00	844.50	11.50
Soymeal			
Jul 20	284.30	284.10	0.20
Aug 20	286.30	286.00	0.30
Sep 20	288.40	287.80	0.60
Oct 20	290.20	289.20	1.00
Soyoil			
Jul 20	27.39	26.64	0.75
Aug 20	27.57	26.82	0.75
Sep 20	27.74	26.99	0.75
Oct 20	27.89	27.15	0.74
SRW			
Jul 20	514.50	508.75	5.75
Sep 20	517.75	512.75	5.00
Dec 20	526.25	521.50	4.75
Mar 21	534.50	529.25	5.25
HRW			
Jul 20	464.00	444.50	19.50
Sep 20	470.50	451.75	18.75
Dec 20	481.75	464.25	17.50
Mar 21	492.25	475.50	16.75
MGEX (HRS)			
Jul 20	519.25	513.00	6.25
Sep 20	530.75	524.25	6.50
Dec 20	544.00	537.75	6.25
Mar 21	556.75	550.75	6.00

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

U.S. Weather/Crop Progress

U.S. Crop Planting Progress				
Commodity	May 24, 2020	Last Week	Last Year	5-year avg.
Corn	88%	80%	55%	82%
Sorghum	39%	32%	27%	38%
Barley	86%	72%	84%	91%

Source: USDA, World Perspectives, Inc.

U.S. Drought Monitor Weather Forecast: During the first week of June, the National Weather Service Climate Prediction Center is forecasting a high probability of warmer than normal temperatures across most of the continental United States (excluding the East Coast, south Texas, and the Pacific Northwest). The highest probability for above-normal temperatures is centered on the Central Great Plains. The Intermountain West, in particular the Four Corners, northwest Nevada, and southeast Oregon, are favored to have above-normal precipitation, while areas close to the Canadian border (to the west of Lake Huron) are also slightly favored for above-normal precipitation. Meanwhile, most areas from the central and southern Great Plains to the Atlantic Seaboard are favored to have below-normal precipitation, with the exceptions of south Florida and south Texas.

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. Memorial Holiday on Monday, the weekly Export Sales report is delayed until Friday, May 30, 2020. Updated export statistics will be provided in the next Market Perspectives report on June 4, 2020.

U.S. Export Inspections: Week Ending May 21, 2020					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	30,548	9,988	306%
Corn	1,091,972	1,182,471	27,351,343	38,582,498	71%
Sorghum	188,078	278,282	3,190,951	1,349,218	237%
Soybeans	333,127	356,078	35,089,243	33,724,502	104%
Wheat	457,777	491,776	24,389,337	24,201,989	101%

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 May 21, 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	616,412	57%	9,899	91%	116,628	62%
PNW	273,415	25%	0	0%	68,535	36%
Interior Export Rail	191,248	18%	998	9%	2,915	2%
Total (Metric Tons)	1,081,075	100%	10,897	100%	188,078	100%
White Corn Shipments by Country (MT)			9,899 998	to Colombia to Mexico		
Total White Corn			10,897			
Sorghum Shipments by Country (MT)					141,783 46,050 245	to China to S. Sudan to S. Korea
Total Sorghum					188,078	

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)
June	0.72+N	\$157.08	0.98+N	\$167.51
July	0.70+N	\$156.49	0.99+N	\$167.90
August	0.66+U	\$156.59	0.97+U	\$168.79

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	June	July	August
Gulf	\$178	\$178	\$190

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
June	2.45+N	\$225.38	2.25+N	\$217.51
July	2.40+N	\$223.41	2.20+N	\$215.54
August	2.30+U	\$221.15	2.15+U	\$215.24

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	June	July	August
New Orleans	\$196	\$196	\$196
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	June	July	August
New Orleans	\$515	\$520	\$550
<i>*5-10,000 MT Minimum</i>			

DDGS Price Table: May 28, 2020 (USD/MT)
 (Quantity, availability, payment and delivery terms vary)

Delivery Point Quality Min. 35% Pro-fat combined	June	July	August
Barge CIF New Orleans	193	188	188
FOB Vessel GULF	207	206	201
Rail delivered PNW	208	203	202
Rail delivered California	214	209	209
Mid-Bridge Laredo, TX	210	205	206
FOB Lethbridge, Alberta	197	192	193
40 ft. Containers to South Korea (Busan)	226	226	226
40 ft. Containers to Taiwan (Kaohsiung)	223	223	223
40 ft. Containers to Philippines (Manila)	232	232	232
40 ft. Containers to Indonesia (Jakarta)	225	225	225
40 ft. Containers to Malaysia (Port Kelang)	226	226	226
40 ft. Containers to Vietnam (HCMC)	224	224	224
40 ft. Containers to Japan (Yokohama)	229	229	229
40 ft. containers to Thailand (LCMB)	229	229	229
40 ft. Containers to China (Shanghai)	228	228	228
40 ft. Containers to Bangladesh (Chittagong)	250	250	250
40 ft. Containers to Myanmar (Yangon)	246	246	246
KC Rail Yard (delivered ramp)	182	182	183
Elwood, IL Rail Yard (delivered ramp)	186	184	184

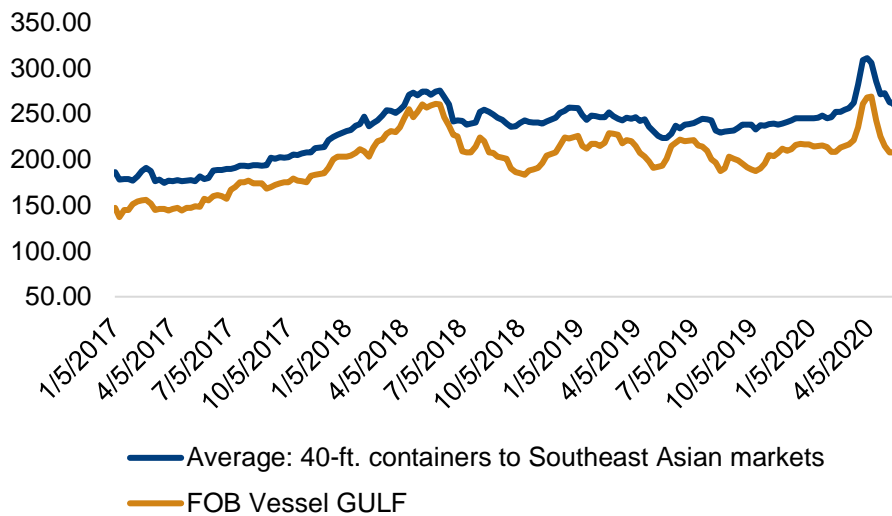
*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: Cash corn prices are higher across the U.S. this week, with basis remaining firm at 25 cents under July futures despite the futures market rally on Thursday. Prices for DDGS FOB ethanol plants are down \$7.50/MT while Kansas City soymeal prices are down \$2.50/MT with spot futures having made new contract lows this week. DDGS are priced at 133 percent of cash corn values, down from last week and falling from five-year highs. The DDGS/soymeal price ratio is 0.49, down from the prior week and above the three-year average of 0.42.

DDGS prices are slightly higher this week as international demand is picking up. Barge CIF NOLA offers are steady/\$5 higher while FOB NOLA offers are up \$2-3/MT. U.S. rail rates have ticked slightly higher as well. Prices for 40-foot containers to Southeast Asia are down this week, averaging \$232/MT.

DDGS Indications: U.S. Gulf (FOB) and
40-foot containers to Southeast Asia
(\$/MT)



Source: World Perspectives, Inc.

Country News

Argentina: FOB Upriver corn prices hit multi-year lows on supply/demand woes as river shipments remain constrained. The Parana River is at its lowest level in 50 years and ships are running aground. Relief will not arrive until September or October. (AgriCensus; Reuters)

Brazil: Agroconsult revised its estimate for the 2019/20 safrinha corn crop downward by 3 MMT to 71.7 MMT due to drought induced lower yields. China state grain trader COFCO says it will switch the Santos port terminal from moving corn to sugar and use a third-party infrastructure for its corn export program. (Refinitiv; Successful Farming)

EU: Due to dry weather, MARS lowered its forecast for barley production by 8 percent. FranceAgriMer lowered France's barley quality rating to 51 percent G/E for the winter crop and 62 percent for the spring crop. These are significant reductions compared to last year's crops. Weaker demand for malting barley has pushed French prices to their lowest since 2015 and exports as feed barley are challenged by cheap corn. Consequently, inventories will rise 14 percent year over year to 6.6 MMT. (FarmLead)

Philippines: The SMC unit of San Miguel Corp. has ramped up its purchasing of corn from farmers as a contribution toward battling the COVID crisis. (PhilStar Global)

South Africa: The 2020 maize crop will be 38 percent larger than last year based on favorable weather conditions says the government's Crop Estimates Committee. Output will rise from 11.275 MMT last year to 15.589 MMT this year, a 2.4 percent increase over last month's estimate. (AgriCensus)

Syria: The government will sell 100 KMT of feed barley via a tender. (AgriCensus)

Ukraine: The grain traders union UGA says the 2020 corn harvest could reach a record 37 MMT. (Reuters)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
May 28, 2020			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$34.25	Up \$0.25	Handymax \$34.75 mt
55,000 U.S. PNW- Japan	\$18.00	Up \$0.25	Handymax \$18.50 mt
66,000 U.S. Gulf – China	\$33.25	Up \$0.25	North China
PNW to China	\$17.25	Up \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$15.00	Up \$0.25	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$12.00	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
25-35,000 U.S. Gulf – East Coast, Colombia	\$17.50	Up \$0.50	<u>West Coast Colombia at \$27.50</u> USG to E/C 50,000 mt at \$14.25
From Argentina	\$32.75		
43-45,000 U.S. Gulf - Guatemala	\$27.00	Up \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.50	Up \$0.25	8,000 mt daily discharge
	\$32.25		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$31.75	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$22.75	Up \$0.25	60,000 -55,000 mt
PNW to Egypt	\$21.25		Romania- Russia- Ukraine \$8.25-\$8.25 -\$8.50 France \$10.75
60-70,000 U.S. Gulf – Europe, Rotterdam	\$12.25	Down \$0.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$23.00	Up \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$22.00	Up \$1.00	60-66,000 Post Panamax
Northern Coast Brazil - China	\$26.00	Up \$1.00	Upriver No. Brazil Plus - 55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario – China, Deep Draft	\$26.50	Up \$1.00	Upriver with BB Top Off \$29.75

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: Baltic Dry-Bulk indices jumped 7-10 percent this week. That sounds like a big improvement, but one must recognize that the market started at exceptionally low levels and, therefore, a 600-point move appears large. All the same, it was a move in the right direction from a vessel owners' perspective. But, in classic form, the market exhibited the biggest gains mid-week and found selling pressure by week's end. Sellers are still present to take profits on rallies. It does appear Dry-bulk markets have turned the corner, however, and will now have to claw their way upward. But it is very unlikely that this will be a straight-line move and there will still be buying opportunities for charters.

Baltic-Panamax Dry-Bulk Indices				
May 28, 2020	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	11,950	11,068	882	8.0
P3A: PNW/Pacific– Japan	7,128	6,473	655	10.1
S1C: U.S. Gulf-China-S. Japan	10,492	11,161	-669	-6.0

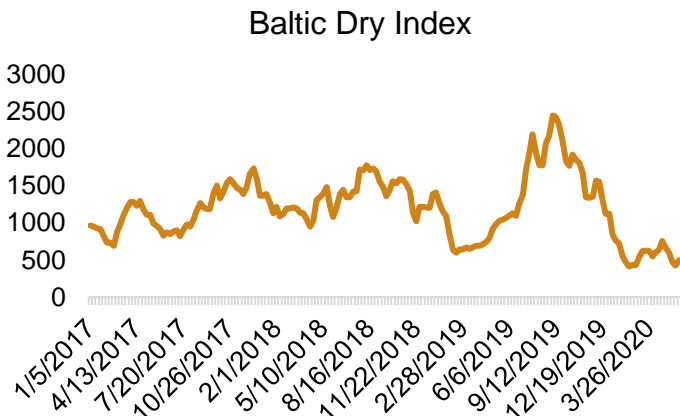
Source: O'Neil Commodity Consulting

Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$4.25-4.50
Three weeks ago:	\$3.95-4.25
Two weeks ago:	\$3.60-3.75
One week ago:	\$4.60-4.75
This week	\$4.05-4.50

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
May 28, 2020	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.87	0.71	0.16	\$6.30	PNW
Soybeans	1.15	0.63	0.52	\$19.11	GULF
Ocean Freight	\$17.25	\$33.25	0.41-0.44	\$16.00	June

Source: O'Neil Commodity Consulting



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

Bulk Grain Freight Rates for Key Suppliers and Destinations
May 28, 2020

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		34.25	-1.75	-4.9%	-9.75	-22.2%	
U.S. PNW	Japan	18.00	-0.75	-4.0%	-6.25	-25.8%	
Argentina		27.50	0	0.0%	-9	-24.7%	
Brazil		21.50	-2	-8.5%	-12	-35.8%	
U.S. Gulf	China	33.25	-2	-5.7%	-10.5	-24.0%	
U.S. PNW		17.25	-0.75	-4.2%	-6.25	-26.6%	
Argentina		26.50	-1	-3.6%	-10.75	-28.9%	
Brazil		26.00	-1	-3.7%	-8	-23.5%	
U.S. Gulf	Europe	13.50	0.15	1.1%	-4	-22.9%	
Argentina		11.50	-3	-20.7%	-24	-67.6%	
Brazil		22.50	-2	-8.2%	-7	-23.7%	
Argentina	Saudi Arabia	45.50	-3	-6.2%	10	28.2%	
Brazil		48.50	1	2.1%	11	29.3%	
U.S. Gulf	Egypt	22.50	-1.00	-4.3%	-7.00	-23.7%	
U.S. PNW		20.20	-2.40	-10.6%	-8.60	-29.9%	
Argentina		15.50	-3.00	-16.2%	-16.00	-50.8%	
Brazil		25.50	-1.00	-3.8%	-4.00	-13.6%	
<i>Handysized Vessels</i>							
U.S. Gulf	Morocco	32.50	-1.00	-3.0%	-4.00	-11.0%	
U.S. Great Lakes		42.10	0.50	1.2%	-3.05	-6.8%	
Argentina		28.50	0.00	0.0%	4.00	16.3%	
Brazil		24.50	-2.00	-7.5%	-2.00	-7.5%	
U.S. Great Lakes	Europe	41.10	0.50	1.2%	-3.05	-6.9%	
Brazil		24.85	-1.85	-6.9%	-4.80	-16.2%	
Argentina	Algeria	28.50	-3.00	-9.5%	1.00	3.6%	
Brazil		31.50	1.00	3.3%	3.00	10.5%	
U.S. Gulf	Colombia	17.50	0.00	0.0%	-3.50	-16.7%	
U.S. PNW		27.05	0.30	1.1%	-2.90	-9.7%	
Argentina		32.75	0.75	2.3%	-1.25	-3.7%	
<i>Shipping Indexes</i>							
Baltic Dry Index		494	-167	-25.3%	-572	-53.7%	

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