

IN THIS ISSUE:

1. GENERAL COMMENTS
2. DDGS REFERENCE PRICES
3. OCEAN FREIGHT MARKET COMMENTS AND INDICATIONS
4. LATEST EXPORT FIGURES (CALENDAR AND CROP YEARS)
5. FOB US DDGS AND CORN PRICES
6. FOB US DDGS AND SOYBEAN MEAL PRICES

FOR HISTORICAL REPORTS, CLICK [HERE](#)
FOR MORE INFORMATION ON DDGS NUTRITION & FEEDING GUIDES, CLICK [HERE](#)

GENERAL COMMENTS

U.S. DDGS prices are higher this week following a large decrease in production due to last week's cold snap. Ethanol and DDGS production is expected to recover soon, however, helping refill the supply pipeline. Spot prices are expected to firm in March with better barge movement and loadings in locations disrupted by recent cold weather. The DDGS/cash corn ratio rose to 118 percent, up from last week and above the three-year average. The DDGS/Kansas City soymeal ratio climbed to 0.53, up from the prior week and above the three-year average of 0.43.

Merchandisers and brokers report that export business has been slower this week with notable pressure in the CIF market. Spot offers for barges CIF NOLA are down \$17/MT this week while FOB Gulf offers are down \$14/MT for March and down \$3-5/MT for Q2 positions. Brokers again note the bid/ask spread has been wide this week with wide-ranging traded prices.

| DDGS Price Table: February 25, 2021 (USD/MT) (Quantity, availability, payment and delivery terms vary) | | | |
|---|-------|-------|-----|
| Delivery Point Quality Min. 35% Pro-fat combined | March | April | May |
| Barge CIF New Orleans | 300 | 313 | 312 |
| FOB Vessel GULF | 324 | 319 | 313 |
| Rail delivered PNW | 329 | 325 | 324 |
| Rail delivered California | 336 | 334 | 329 |
| Mid-Bridge Laredo, TX | 326 | 324 | 318 |
| FOB Lethbridge, Alberta | 303 | 300 | 299 |
| 40 ft. Containers to South Korea (Busan) | N/A | N/A | N/A |
| 40 ft. Containers to Taiwan (Kaohsiung) | N/A | N/A | N/A |
| 40 ft. Containers to Philippines (Manila) | N/A | N/A | N/A |
| 40 ft. Containers to Indonesia (Jakarta) | 355 | 360 | 360 |
| 40 ft. Containers to Malaysia (Port Kelang) | 355 | 360 | 360 |
| 40 ft. Containers to Vietnam (HCMC) | 355 | 360 | 360 |
| 40 ft. Containers to Japan (Yokohama) | N/A | N/A | N/A |
| 40 ft. containers to Thailand (LCMB) | 355 | 360 | 360 |
| 40 ft. Containers to China (Shanghai) | N/A | N/A | N/A |
| 40 ft. Containers to Bangladesh (Chittagong) | N/A | N/A | N/A |
| 40 ft. Containers to Myanmar (Yangon) | 355 | 360 | 360 |
| KC Rail Yard (delivered ramp) | N/A | N/A | N/A |
| Elwood, IL Rail Yard (delivered ramp) | 281 | 279 | 278 |

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

To quote John Maynard Keynes, “Markets can remain irrational longer than you can remain solvent”. Last week was a record week for the FFA paper markets with 88,198 lots traded, 54% of which were Panamax. This was an all-time record volume for FFA markets. Both volume and weekly volatility exceed even the wild days of 2007-08. In addition to general market enthusiasm, it was evident that a “market squeeze” has been taking place as paper trading was more volatile than physical markets. At the week’s end, Panamax paper rates were up 165% for the current year.

One may ask: is this rate structure sustainable? Market fundamentals have not changed, but market optimism certainly has. Volatility remains king and it has become a very bumpy ride. There is still an imbalance in vessel supply in the Atlantic versus Pacific, with short supplies in the Atlantic. This will eventually correct itself as the spread between oceans is way out of alignment.

March Capesize vessels are down to \$10,850 with Q2 at \$15,000 and Q3 at \$19,000. The March Panamax market is sitting at \$19,500 with Q2 at \$17,000. Aside from this week’s changes in market spreads, the interesting feature is that Panamax rates continue to outshine Capesize. Historically, Capesize vessels would command a 2.0-2.5 premium over Panamax vessels.

Source: O’Neil Commodity Consulting



| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* | | | |
|---|-----------------------|-----------------------------|--|
| February 25, 2021 | | | |
| Route and Vessel Size | Current Week (USD/MT) | Change from Previous Report | Remarks |
| 55,000 U.S. Gulf-Japan | \$57.50 | Up \$3.50 | Handymax \$59.00 MT |
| 55,000 U.S. PNW- Japan | \$32.25 | Unchanged | Handymax \$33.00 MT |
| 66,000 U.S. Gulf – China | \$56.00 | Up \$3.00 | North China |
| PNW to China | \$31.00 | Unchanged | |
| 25,000 U.S. Gulf - Veracruz, México | \$24.50 | Up \$0.50 | 3,000 MT daily discharge rate |
| 30-36,000+ U.S. Gulf - Veracruz, México | \$21.00 | Up \$0.50 | Deep draft and 6,000 MT per day discharge rate. |
| 30-38,000 U.S. Gulf - Colombia | \$29.00 | Down \$1.00 | <u>West Coast Colombia at \$42.00</u> |
| <u>East Coast Colombia</u> | \$28.00 | | |
| From Argentina | \$40.50 | | |
| 43-45,000 U.S. Gulf - Guatemala | \$35.00 | Down\$1.00 | Acajutla/Quetzal - 8,000 out |
| 26-30,000 U.S. Gulf – Algeria | \$40.00 | Up \$1.75 | 8,000 MT daily discharge |
| | \$42.50 | | 3,000 MT daily discharge |
| 26-30,000 US Gulf - Morocco | \$39.50 | Down \$1.00 | 5,000 discharge rate |
| 55-60,000 U.S. Gulf –Egypt | \$42.50 | Up \$2.00 | 60,000 -55,000 MT -Egypt |
| PNW to Egypt | \$41.50 | | Romania- Russia- Ukraine \$16.00-\$16.50 -\$17.00 France \$22.00 |
| 60-70,000 U.S. Gulf – Europe, Rotterdam | \$20.00 | Unchanged | Handymax at +\$1.75-\$2.00 more |
| Brazil, Santos – China | \$46.50 | Down \$1.00 | 54-59,000 Supramax-Panamax |
| Brazil, Santos – China | \$46.00 | | 60-66,000 Post Panamax |
| Northern Coast Brazil - China | \$47.00 | | Upriver No. Brazil Plus -55,000 MT Plus \$7.50/MT |
| 56-60,000 Argentina/Rosario-China, Deep Draft | \$52.25 | Down \$1.00 | Upriver with BB Top Off Plus \$3.75 MT |

Source: O'Neil Commodity Consulting

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

LATEST EXPORT FIGURES

Calendar Year (January-December):

| | CY 2016 | CY 2017 | CY 2018 | CY 2019 | CY 2020 | CHANGE YTD (%) | CHANGE YTD (MT) |
|--------------------|------------|------------|------------|------------|------------|----------------|-----------------|
| <i>World Total</i> | 11,308,964 | 11,027,217 | 11,799,279 | 10,810,389 | 10,958,333 | 1% | 147,944 |
| Mexico | 1,907,573 | 2,184,385 | 2,012,746 | 2,028,684 | 1,741,873 | -14% | -286,811 |
| Vietnam | 1,153,660 | 308,356 | 1,246,899 | 1,203,135 | 1,287,324 | 7% | 84,189 |
| Korea, South | 889,190 | 960,916 | 1,139,457 | 1,247,483 | 1,269,980 | 2% | 22,497 |
| Indonesia | 355,355 | 728,185 | 843,582 | 913,928 | 940,891 | 3% | 26,963 |
| Thailand | 753,381 | 739,453 | 1,016,581 | 574,380 | 840,446 | 46% | 266,066 |
| Turkey | 789,613 | 1,417,099 | 887,129 | 577,364 | 789,049 | 37% | 211,685 |
| Japan | 314,561 | 473,528 | 465,962 | 516,947 | 462,987 | -10% | -53,960 |
| Canada | 518,272 | 707,259 | 664,483 | 643,982 | 392,221 | -39% | -251,761 |
| Ireland | 255,958 | 347,360 | 396,265 | 277,440 | 288,796 | 4% | 11,356 |
| Philippines | 161,224 | 137,935 | 196,418 | 261,970 | 283,805 | 8% | 21,835 |
| China | 2,341,650 | 371,667 | 192,174 | 179,049 | 280,852 | 57% | 101,803 |
| New Zealand(*) | 71,408 | 183,857 | 250,081 | 208,571 | 261,413 | 25% | 52,842 |
| Taiwan | 216,738 | 255,019 | 220,547 | 242,815 | 241,475 | -1% | -1,340 |
| Colombia | 181,762 | 207,653 | 220,222 | 200,615 | 209,962 | 5% | 9,347 |
| Israel(*) | 176,902 | 257,972 | 276,156 | 212,153 | 195,748 | -8% | -16,405 |
| Egypt | 141,440 | 138,414 | 193,254 | 142,591 | 193,938 | 36% | 51,347 |
| Morocco | 165,841 | 250,419 | 190,682 | 223,352 | 189,550 | -15% | -33,802 |
| Bangladesh | 35,602 | 117,010 | 150,788 | 160,873 | 165,931 | 3% | 5,058 |
| United Kingdom | 162,250 | 213,394 | 323,780 | 180,625 | 121,609 | -33% | -59,016 |
| Costa Rica | 84,896 | 89,413 | 77,142 | 92,651 | 86,807 | -6% | -5,844 |
| Honduras | 42,338 | 44,618 | 53,526 | 62,508 | 75,218 | 20% | 12,710 |
| Guatemala | 46,684 | 52,224 | 66,435 | 73,214 | 69,982 | -4% | -3,232 |
| Spain | 195,132 | 297,687 | 213,717 | 103,369 | 64,670 | -37% | -38,699 |

Marketing Year (September-August):

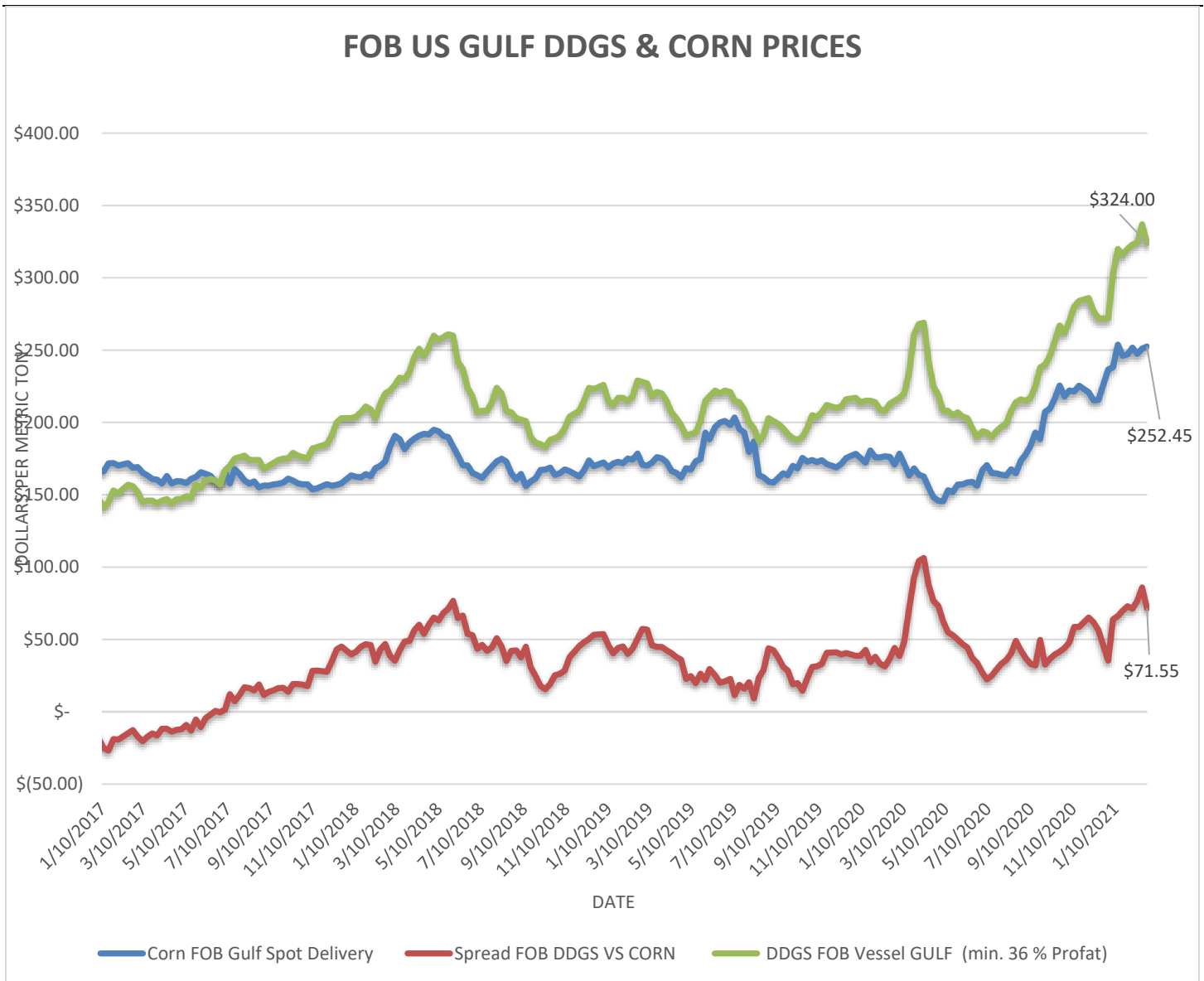
| | MY 17/18 | MY 18/19 | MY 19/20 | SEP19-DEC19 | SEP20-DEC20 | CHANGE YTD (%) | CHANGE YTD (MT) |
|--------------------|------------|------------|------------|-------------|-------------|----------------|-----------------|
| <i>World Total</i> | 11,631,190 | 11,278,695 | 10,531,129 | 3,452,802 | 3,880,006 | 12% | 427,204 |
| Mexico | 2,126,783 | 2,016,966 | 1,799,323 | 628,356 | 570,906 | -9% | -57,450 |
| Korea, South | 1,177,720 | 1,190,000 | 1,221,249 | 390,229 | 438,960 | 12% | 48,731 |
| Vietnam | 1,047,601 | 1,294,316 | 1,212,834 | 410,051 | 484,541 | 18% | 74,490 |
| Indonesia | 809,469 | 971,736 | 908,302 | 302,173 | 334,762 | 11% | 32,589 |
| Thailand | 945,404 | 724,888 | 871,608 | 209,852 | 178,690 | -15% | -31,162 |
| Turkey | 1,170,598 | 498,947 | 601,596 | 120,513 | 307,966 | 156% | 187,453 |
| Japan | 462,677 | 481,178 | 482,024 | 191,190 | 172,153 | -10% | -19,037 |
| Canada | 653,998 | 701,578 | 425,093 | 167,661 | 134,789 | -20% | -32,872 |
| Philippines | 163,693 | 242,381 | 283,793 | 101,540 | 101,552 | 0% | 12 |
| New Zealand(*) | 227,074 | 202,115 | 280,817 | 106,404 | 87,000 | -18% | -19,404 |
| Ireland | 383,232 | 339,843 | 256,634 | 87,297 | 119,459 | 37% | 32,162 |
| Taiwan | 218,083 | 234,317 | 253,400 | 87,966 | 76,041 | -14% | -11,925 |
| China | 160,715 | 178,169 | 205,002 | 78,249 | 154,099 | 97% | 75,850 |
| Colombia | 202,317 | 195,446 | 204,056 | 92,191 | 98,097 | 6% | 5,906 |
| Morocco | 211,588 | 218,396 | 202,162 | 74,930 | 62,318 | -17% | -12,612 |
| Egypt | 245,526 | 79,936 | 169,839 | 64,113 | 88,212 | 38% | 24,099 |
| Israel(*) | 290,831 | 250,648 | 168,251 | 16,696 | 44,193 | 165% | 27,497 |
| United Kingdom | 177,559 | 362,848 | 135,149 | 30,930 | 17,390 | -44% | -13,540 |
| Bangladesh | 145,617 | 178,891 | 125,425 | 38,621 | 79,127 | 105% | 40,506 |
| El Salvador | 63,421 | 61,583 | 85,572 | 39,668 | 16,102 | -59% | -23,566 |
| Costa Rica | 84,532 | 88,074 | 81,195 | 26,591 | 32,203 | 21% | 5,612 |
| Guatemala | 48,840 | 75,909 | 70,879 | 26,861 | 25,964 | -3% | -897 |
| Burma | 51,814 | 77,273 | 59,298 | 27,135 | 32,067 | 18% | 4,932 |

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 (DECEMBER 2020)

FOB US DDGS AND CORN PRICES



FOB US DDGS AND SOYBEAN MEAL PRICES

