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GENERAL COMMENTS

U.S. DDGS prices are down \$2/MT this week in quiet trade. Brokers report that markets have been quiet from both the buy and sell sides, despite the recent increase in ethanol production. Volatility in barge freight is thought to be pushing additional product into the domestic market. Kansas City soymeal prices are up \$13/MT this week as the futures market reversed course and is rallying sharply. The DDGS/Kansas City soymeal ratio sits at 0.53 this week, down from the prior week and above the three-year average of 0.47. The DDGS/cash corn ratio is lower this week at 0.97, down from 1.04 last week and below the three-year average of 1.09.

On the export market, Barge CIF NOLA rates up \$10/MT for Q4 shipment and up \$8/MT for January 2022. FOB Gulf offers are down \$3/MT this week with bids and offers both harder to obtain. Brokers say Asian demand remains quiet for containerized DDGS and prices are unchanged from last week at \$351/MT for 40-foot containers to Southeast Asia.

Please note that FOB Gulf markets will likely be more volatile than normal as the industry works to recover full capacity in New Orleans area export facilities. There are significant questions about elevation capacity and availability and the DDGS market will have to compete with other grains as the U.S. new crop harvest approaches. Consequently, both flat prices and spreads versus other markets may see greater than normal volatility.

| DDGS Price Table: October 21, 2021 (USD/MT) (Quantity, availability, payment and delivery terms vary) | | | |
|--|----------|----------|---------|
| Delivery Point Quality Min. 35% Pro-fat combined | November | December | January |
| Barge CIF New Orleans | 253 | 254 | 257 |
| FOB Vessel GULF | 262 | 262 | 264 |
| Rail delivered PNW | 285 | 288 | 290 |
| Rail delivered California | 291 | 293 | 295 |
| Mid-Bridge Laredo, TX | 286 | 289 | 291 |
| FOB Lethbridge, Alberta | 277 | 279 | 283 |
| 40 ft. Containers to South Korea (Busan) | | | |
| 40 ft. Containers to Taiwan (Kaohsiung) | 350 | 350 | 350 |
| 40 ft. Containers to Philippines (Manila) | | | |
| 40 ft. Containers to Indonesia (Jakarta) | 352 | 352 | 352 |
| 40 ft. Containers to Malaysia (Port Kelang) | 348 | 348 | 348 |
| 40 ft. Containers to Vietnam (HCMC) | 348 | 348 | 348 |
| 40 ft. Containers to Japan (Yokohama) | | | |
| 40 ft. containers to Thailand (LCMB) | 352 | 352 | 352 |
| 40 ft. Containers to China (Shanghai) | | | |
| 40 ft. Containers to Bangladesh (Chittagong) | | | |
| 40 ft. Containers to Myanmar (Yangon) | 352 | 352 | 352 |
| KC Rail Yard (delivered ramp) | | | |
| Elwood, IL Rail Yard (delivered ramp) | 233 | 236 | 238 |

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.

** Note that FOB Gulf and other DDGS markets may be more volatile than normal going forward as the industry works to recover full operations and capacity in the U.S. Gulf region following Hurricane Ida.

OCEAN FREIGHT MARKET

Volatility is the one constant in dry-bulk markets, and I have no doubts about it continuing through the next year or more. The global fleet is insufficient to meet growing market needs – especially those of China – and it will take 2 to 3 years to balance this supply and demand dynamic. It is therefore very likely the industry will ride roller coaster markets for many months to come. Best hold on to your hat.

This week, Capesize paper markets experienced a substantial decline as paper sellers took profits. Daily hire rates slipped from \$85,000/day down to \$50,000/day. Panamax and Supramax markets showed better support and ended the week at \$38,000/day. I view this as more of a technical correction than a turn to bearish conditions. The overall trend in physical markets still seems to be moving upward. Notably, available of freight from the U.S. Gulf to the Caribbean and East Coast Central America is very tight and rates are higher for the week.

Container rates remain steady but the backlog of waiting ships off the U.S. west coast continues to grow and logistics remain a mess.

Source: O'Neil Commodity Consulting



| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* | | | |
|---|-------------------------------|-----------------------------|---|
| October 21, 2021 | | | |
| Route and Vessel Size | Current Week (USD/MT) | Change from Previous Report | Remarks |
| 55,000 U.S. Gulf-Japan | \$91.00 | Up \$6.25 | Handymax \$92.00/MT |
| 55,000 U.S. PNW- Japan | \$50.00 | Up \$3.00 | Handymax \$47.00/MT |
| 66,000 U.S. Gulf – China | \$90.00 | Up \$6.00 | North China |
| PNW to China | \$49.50 | Up \$3.00 | |
| 25,000 U.S. Gulf - Veracruz, México | \$31.25 | Up \$1.00 | 3,000 MT daily discharge rate |
| 30-36,000+ U.S. Gulf - Veracruz, México | \$29.25 | Up \$1.00 | Deep draft and 6,000 MT per day discharge rate. |
| 30-38,000 U.S. Gulf - Colombia | \$47.75 \$46.75 \$65.25 | Up \$1.50 | <u>West Coast Colombia at \$56.00</u> |
| 50,000 MT U.S. Gulf to East Coast Colombia | | | |
| From Argentina | | | |
| 43-45,000 U.S. Gulf - Guatemala | \$53.25 | Up \$1.50 | Acajutla/Quetzal - 8,000 out |
| 26-30,000 U.S. Gulf – Algeria | \$74.00 \$76.00 | Up \$5.50 | 8,000 MT daily discharge 3,000 MT daily discharge |
| 26-30,000 US Gulf - Morocco | \$71.75 | Up \$5.75 | 5,000 discharge rate |
| 55-60,000 U.S. Gulf –Egypt | \$74.50 | Up \$5.00 | 60,000 - 55,000 MT - Egypt Romania – Russia - Ukraine \$35.00 - 35.50 - 36.00 France \$47.00 |
| PNW to Egypt | \$74.75 | | |
| 60-70,000 U.S. Gulf – Europe, Rotterdam | \$32.00 | Down \$1.25 | Handymax at +\$2.00 more |
| Brazil, Santos – China | \$72.50 | Up \$4.00 | 54-59,000 Supramax-Panamax 60-66,000 Post Panamax |
| Brazil, Santos – China | \$72.00 | | |
| Northern Coast Brazil - China | \$73.00 | | |
| 56-60,000 Argentina/Rosario-China, Deep Draft | \$78.00 | Up \$4.25 | Upriver with BB Top-off Plus \$3.75-4.00/MT |

Source: O'Neil Commodity Consulting

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

LATEST EXPORT FIGURES

Calendar Year (January-December):

| Partner | 2018 | 2019 | 2020 | JAN-AUG20 | JAN-AUG21 | CHANGE Y/Y (%) | CHANGE Y/Y (MT) |
|--------------------|------------|------------|------------|-----------|-----------|----------------|-----------------|
| <i>World Total</i> | 11,799,279 | 10,792,499 | 10,930,190 | 7,045,804 | 7,732,646 | 10% | 686,842 |
| Mexico | 2,012,746 | 2,022,752 | 1,732,282 | 1,161,376 | 1,578,941 | 36% | 417,565 |
| Vietnam | 1,246,899 | 1,202,103 | 1,280,377 | 797,223 | 957,602 | 20% | 160,379 |
| Korea, South | 1,139,457 | 1,242,497 | 1,263,476 | 823,790 | 726,926 | -12% | -96,864 |
| Indonesia | 843,582 | 913,488 | 934,261 | 604,079 | 580,485 | -4% | -23,594 |
| Thailand | 1,016,581 | 574,380 | 848,838 | 670,148 | 274,333 | -59% | -395,815 |
| Turkey | 887,129 | 577,364 | 790,455 | 481,083 | 627,686 | 30% | 146,603 |
| Japan | 465,962 | 516,881 | 463,118 | 290,939 | 303,381 | 4% | 12,442 |
| Canada | 664,483 | 643,994 | 397,450 | 258,869 | 393,687 | 52% | 134,818 |
| Ireland | 396,265 | 277,440 | 291,278 | 171,820 | 210,790 | 23% | 38,970 |
| Philippines | 196,418 | 261,977 | 281,101 | 180,069 | 138,741 | -23% | -41,328 |
| New Zealand(*) | 250,081 | 208,571 | 278,870 | 175,679 | 156,402 | -11% | -19,277 |
| China | 192,174 | 174,338 | 271,697 | 123,320 | 220,243 | 79% | 96,923 |
| Taiwan | 220,547 | 242,521 | 241,254 | 164,750 | 152,214 | -8% | -12,536 |
| Colombia | 220,222 | 200,615 | 209,961 | 117,420 | 176,191 | 50% | 58,771 |
| Israel(*) | 276,156 | 212,153 | 196,975 | 151,435 | 151,122 | 0% | -313 |
| Morocco | 190,682 | 223,352 | 188,929 | 125,411 | 172,650 | 38% | 47,239 |
| Egypt | 193,254 | 142,141 | 182,822 | 94,610 | 139,935 | 48% | 45,325 |
| Bangladesh | 150,788 | 160,873 | 164,989 | 85,895 | 123,162 | 43% | 37,267 |
| United Kingdom | 323,780 | 180,625 | 121,609 | 104,219 | 106,629 | 2% | 2,410 |
| Costa Rica | 77,142 | 92,651 | 83,807 | 54,604 | 53,466 | -2% | -1,138 |
| Honduras | 53,526 | 62,508 | 75,218 | 40,416 | 42,478 | 5% | 2,062 |
| Guatemala | 66,435 | 73,214 | 73,335 | 47,371 | 63,453 | 34% | 16,082 |
| Spain | 213,717 | 103,369 | 64,670 | 20,699 | 110,246 | 433% | 89,547 |
| Burma | 70,156 | 71,137 | 64,270 | 32,203 | 17,781 | -45% | -14,422 |

Marketing Year (September-August):

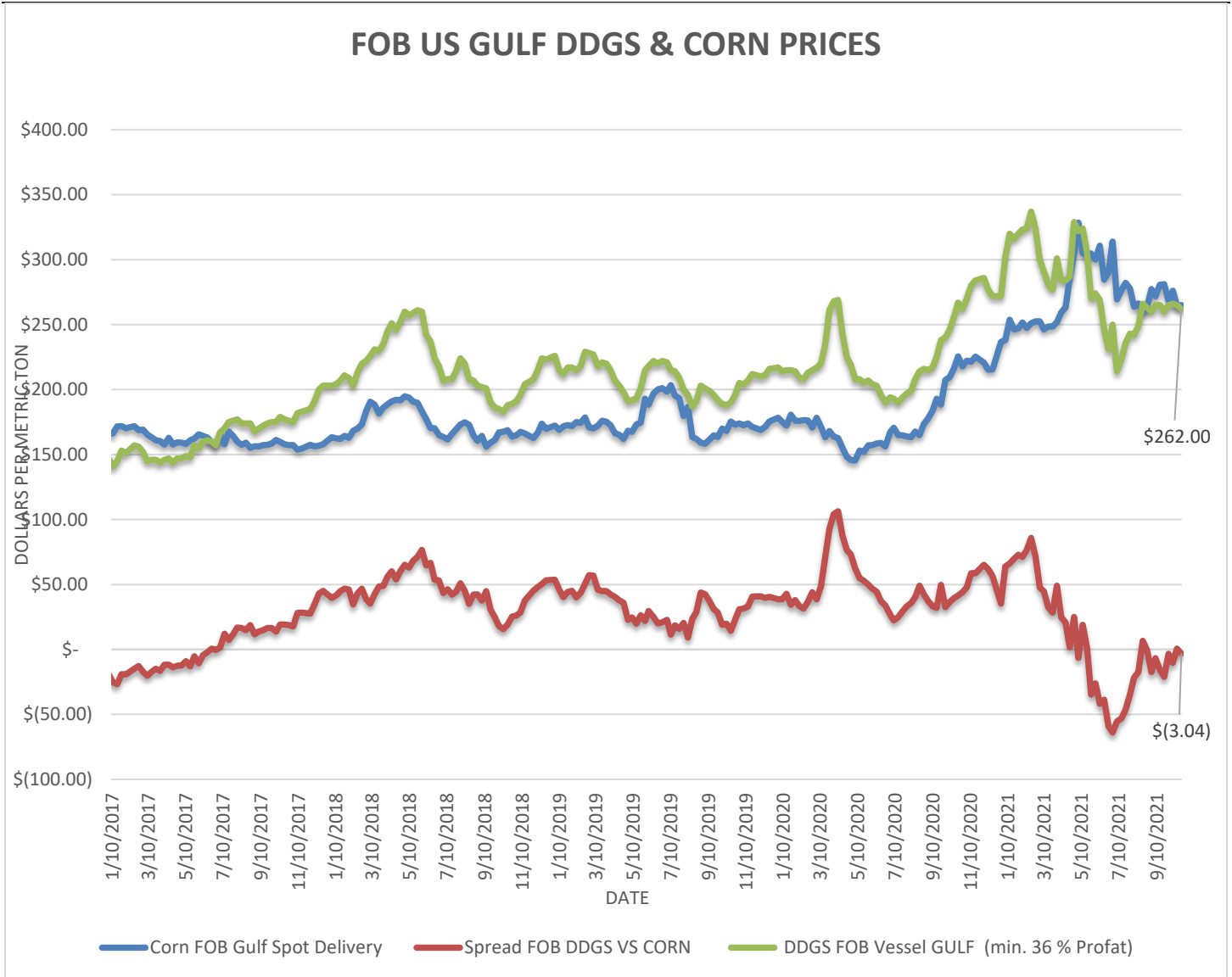
| Partner | MY 16/17 | MY 17/18 | MY 18/19 | MY 19/20 | MY 20/21 | CHANGE Y/Y (%) | CHANGE Y/Y (MT) |
|--------------------|------------|------------|------------|------------|------------|----------------|-----------------|
| <i>World Total</i> | 11,057,322 | 11,631,190 | 11,271,838 | 10,487,573 | 11,617,032 | 11% | 1,129,459 |
| Mexico | 2,063,793 | 2,126,783 | 2,011,034 | 1,789,732 | 2,149,847 | 20% | 360,115 |
| Vietnam | 492,917 | 1,047,601 | 1,294,321 | 1,206,237 | 1,440,756 | 19% | 234,519 |
| Korea, South | 967,740 | 1,177,720 | 1,189,038 | 1,209,995 | 1,166,612 | -4% | -43,383 |
| Turkey | 1,364,617 | 1,170,598 | 498,947 | 601,596 | 937,058 | 56% | 335,462 |
| Indonesia | 512,923 | 809,469 | 971,736 | 905,812 | 910,667 | 1% | 4,855 |
| Canada | 669,247 | 653,998 | 701,610 | 426,510 | 532,268 | 25% | 105,758 |
| Japan | 427,280 | 462,677 | 481,178 | 482,063 | 475,560 | -1% | -6,503 |
| Thailand | 786,940 | 945,404 | 724,888 | 880,000 | 453,023 | -49% | -426,977 |
| China | 735,138 | 160,715 | 178,169 | 196,858 | 368,620 | 87% | 171,762 |
| Ireland | 303,244 | 383,232 | 339,843 | 259,117 | 330,248 | 27% | 71,131 |
| Colombia | 209,008 | 202,317 | 195,446 | 209,611 | 268,732 | 28% | 59,121 |
| New Zealand(*) | 151,075 | 227,074 | 202,115 | 282,083 | 259,593 | -8% | -22,490 |
| Philippines | 151,509 | 163,693 | 242,381 | 281,616 | 239,773 | -15% | -41,843 |
| Morocco | 214,223 | 211,588 | 218,396 | 200,341 | 236,168 | 18% | 35,827 |
| Taiwan | 261,943 | 218,083 | 234,317 | 252,422 | 228,718 | -9% | -23,704 |
| Egypt | 148,755 | 245,526 | 79,936 | 158,273 | 228,147 | 44% | 69,874 |
| Bangladesh | 86,822 | 145,617 | 178,891 | 124,516 | 202,256 | 62% | 77,740 |
| Israel(*) | 240,468 | 290,831 | 250,648 | 168,131 | 196,662 | 17% | 28,531 |
| Spain | 335,152 | 206,518 | 179,068 | 20,699 | 154,217 | 645% | 133,518 |
| United Kingdom | 214,781 | 177,559 | 362,848 | 135,149 | 124,019 | -8% | -11,130 |
| Guatemala | 55,705 | 48,840 | 75,909 | 74,232 | 89,417 | 20% | 15,185 |
| Costa Rica | 82,722 | 84,532 | 88,074 | 81,195 | 82,669 | 2% | 1,474 |
| Honduras | 43,244 | 51,666 | 59,954 | 58,640 | 77,280 | 32% | 18,640 |
| El Salvador | 62,676 | 63,421 | 61,583 | 79,572 | 55,444 | -30% | -24,128 |

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 (AUGUST 2021)

FOB US DDGS AND CORN PRICES



FOB US DDGS AND SOYBEAN MEAL PRICES

