



# Market Perspectives

**November 11, 2021**

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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: CBOT December Corn Contract |  |  |   |   |  |
|---|--|--|---|---|--|
| Cents/Bu                                    | Friday   | Monday   | Tuesday   | Wednesday   | Thursday   |
|   | November 5   | November 8   | November 9  | November 10   | November 11  |
| <b>Change</b>                               | -6.25  | -1.50  | 3.25  | 14.50   | 0.25   |
| <b>Closing Price</b>                        | 553.00   | 551.50   | 554.75  | 569.25  | 569.50   |
| <b>Factors Affecting the Market</b>         | Corn fell for the 4th day as weaker soybean and wheat futures caused risk-off trade. Ethanol margins continue to surge higher and buoy corn demand. Exports have been steady, but China's futures are priced above \$10.75, which means more imports could come soon. Outside markets were higher on positive U.S. employment numbers. | Corn settled lower again in risk-off trade before the WASDE. USDA is expected to increase ethanol use of corn and cut ending stocks in the report. USDA said 5.9 Mbu of corn was sold to Colombia this morning. Brazil's first-crop corn is 75% planted and Argentina's is 39% seeded. Outside markets were higher with crude oil and equities rallying. | USDA surprised the market with a record large U.S. corn yield of 177 BPA and the second largest crop on record. USDA increased ethanol use of corn and pared ending stocks slightly. Strong rallies from soybeans and wheat helped corn higher, despite the larger crop. Outside markets were mixed; crude oil rose \$2/barrel and equities fell. | Corn surged higher on continued strength from wheat and news that China is buying corn from Ukraine. That China is seeking corn again with its prices near \$10.85/bu. is a good sign for U.S. export prospects. Ethanol output fell last week, and stock grew slightly. Cash basis is strong as processors work to secure corn from farmers. | Corn pushed higher at the open but found profit taking and producer selling near \$5.80. The market settled near the day's low but clung to a daily gain. Fresh news was light but lower energies and a stronger U.S. dollar weighed on the market. Funds were net sellers for the day as futures. U.S. equities were mixed with the Dow lower and the S&P 500 higher. |

**Outlook:** December corn futures are 16.5 cents (3 percent) higher this week after the market sold off heading into the November WASDE report and rallied after its release. USDA gave a modest surprise to the corn market by increasing the U.S. 2021 yield to a record large 11.12 MT/ha (177.0 bushels/acre). Increases in domestic use, however, meant that 2021/22 ending stocks fell slightly. On the global scale, the two themes of USDA's report were seemingly "big crops" and "big demand", the latter of which should keep prices supported into the next marketing year.

Before the WASDE was released, analysts were expecting USDA to lower its corn yield forecast and increase the soybean yield estimate, but the agency did the opposite. The record 2021 U.S. corn yield was due, in part, to large increases for Minnesota and Michigan, while soybean yields were lowered due to below-expected yields in the eastern Corn Belt. USDA's data was bullish soybeans and the ensuing rally in that market helped pull corn futures higher, despite record corn yields.

USDA's yield adjustments pushed the U.S. 2021 corn crop to 382.6 MMT (15.062 billion bushels), up 1.092 MMT (43 million bushels) from the October estimate. The new production estimate is the second largest on record (behind the 2016/17 crop) and is 24.16 MMT (951 million bushels) larger than the 2020/21 U.S. crop.

USDA made relatively few changes to the demand side of the U.S. 2021/22 corn balance sheet. The agency increased corn used for ethanol by 1.27 MMT (50 million bushels) due to the strong production pace so far this year and rising profit margins. USDA lefts its export and feed and residual use forecasts unchanged from the October report. In total, the ethanol use increase offset larger yields and U.S. ending stocks fell 0.178 MMT (7 million bushels) to 37.924 MMT (1.493 billion bushels). The ending stocks-to-use ratio was essentially unchanged, and USDA kept its average farm price forecast at \$5.45/bushel.

Outside the U.S., USDA increased world corn production by 6.4 MMT due to larger crops in the U.S., Europe, and Argentina. USDA increased Argentina's 2021/22 corn crop (which is 39 percent seeded so far) by 1.5 MMT to 54.5 MMT. If realized, that would be a record large crop for the country and coincide with a record large Brazilian crop (projected at 118 MMT).




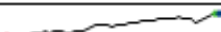
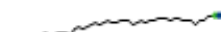


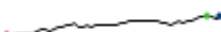
USDA also increased the outlook for global corn use and raised feed use 1.1 MMT and world trade by 1.6 MMT. World corn ending stocks for 2021/22 are forecast at 304.4 MMT, up 2.7 MMT from October and 12.5 MMT above 2020/21 levels. The world ending stocks-to-use ratio, however, is steady with last year at 22.1 percent. Consequently, the latest expectations for strong world consumption will largely offset the bigger crop and keep corn prices supported.

The USDA Export Sales report is delayed one day due to a U.S. federal holiday on Thursday, but Monday's Export Inspections report featured 0.563 MMT of corn inspections. That figure was down from the prior week but put 2021/22 YTD inspections at 6.037 MMT.

Midwest corn basis levels have been steady, on average this week, at -14Z (14 cents under December futures), equal with last week's average. There are reports of processors and end-users in some regions having to increase bids to secure supplies, but the futures rally seems to have mitigated some of this impact. Basis levels are, however, still trading at or above their five-year highs for of the Midwest.

From a technical standpoint, December corn futures are still constrained to a wide, sideways trading range with long-term trendline resistance at \$5.82 and support at \$5.06 (the 13 October daily low). The 100-day moving average is acting as a swing point within that range and offering initial support below current values. If December futures can breakout above trendline resistance, the next upside target is the 12 August daily high (\$5.94), followed by psychological resistance at \$6.00. Conversely, a break below the 100-day moving average could push prices to \$5.25 to \$5.30, but end-user demand has been active on large breaks so far this year. Consequently, price weakness is likely to be short-lived and uncover strong buying interest while the "big" demand theme of the November WASDE could keep prices grinding higher.

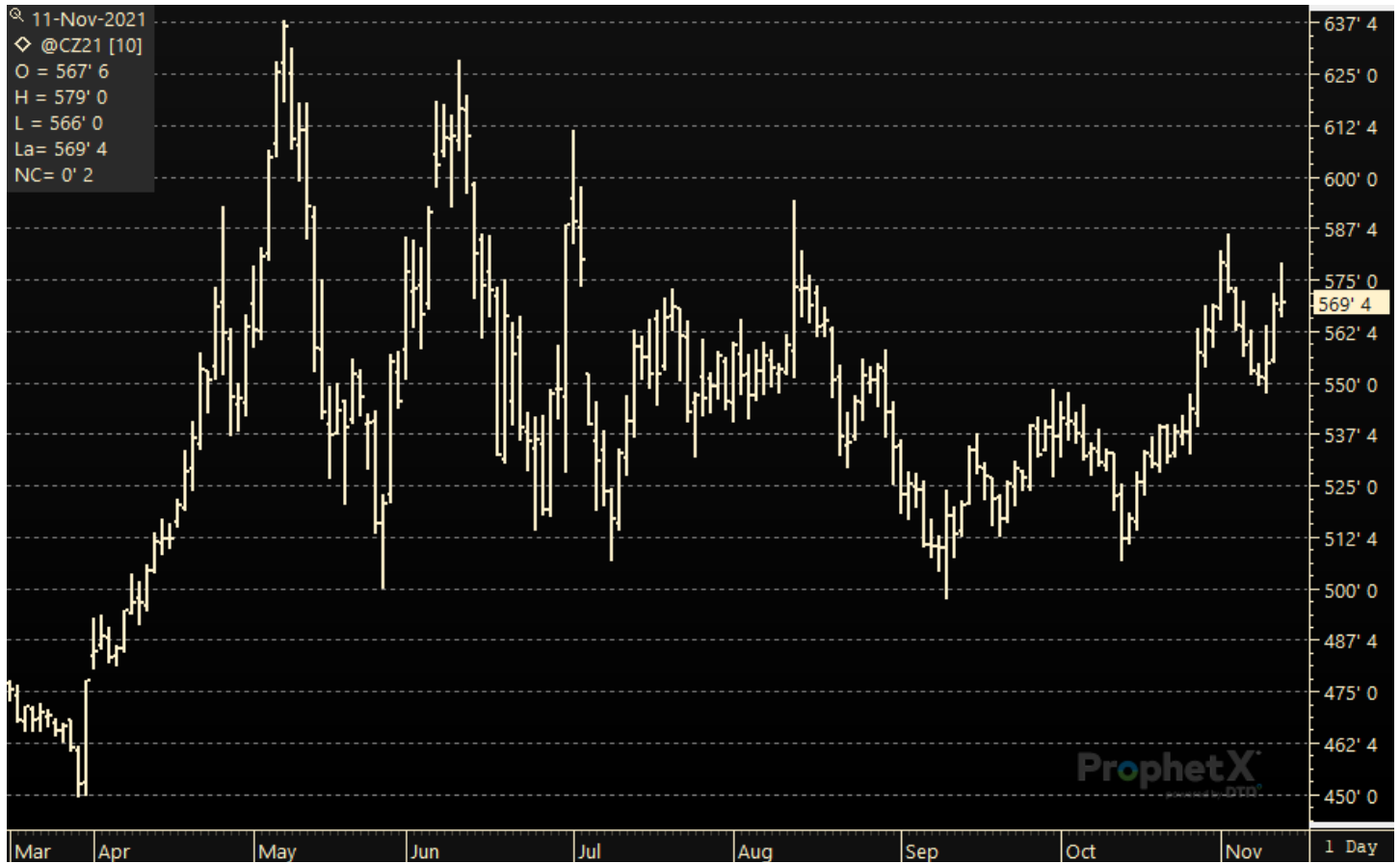
## Interest Rates and Macroeconomic Markets, November 11, 2021

|                       | Last*    | Weekly<br>Change | Weekly %<br>Change | Monthly<br>Change | Monthly<br>% Change | 1-Year History  |
|-----------------------|----------|------------------|--------------------|-------------------|---------------------|---|
| <b>Interest Rates</b> |          |                  |                    |                   |                     |   |
| U.S. Prime            | 3.3      | 0.0              | 0.0%               | 0.0               | 0.0%                |  |
| LIBOR (6 Month)       | 0.2      | 0.0              | 0.5%               | 0.1               | 40.0%               |  |
| LIBOR (1 Year)        | 0.4      | 0.0              | -1.1%              | 0.1               | 33.1%               |  |
| S&P 500               | 4,656.4  | -23.7            | -0.5%              | 218.1             | 4.9%                |  |
| Dow Jones Industrials | 35,953.3 | -170.9           | -0.5%              | 1,040.8           | 3.0%                |  |
| U.S. Dollar           | 95.2     | 0.8              | 0.9%               | 1.2               | 1.3%                |  |
| WTI Crude             | 81.3     | 2.5              | 3.2%               | 0.0               | 0.0%                |  |
| Brent Crude           | 82.7     | 2.2              | 2.7%               | -1.3              | -1.5%               |  |

Source: DTN ProphetX, World Perspectives, Inc.

\* Last price as of 2:37 PM ET

# CBOT December Corn Futures



Source: DTN ProphetX

**Current Market Values:**

| <b>Futures Price Performance: Week Ending November 11, 2021</b> |               |              |                   |
|---|---------------|--------------|-------------------|
| <b>Commodity</b>  | <b>11-Nov</b> | <b>5-Nov</b> | <b>Net Change</b> |
| <b>Corn</b>   |               |              |                   |
| Dec 21  | 569.50        | 553.00       | 16.50             |
| Mar 22  | 578.00        | 562.25       | 15.75             |
| May 22  | 582.25        | 567.25       | 15.00             |
| Jul 22  | 583.25        | 568.75       | 14.50             |
| <b>Soybeans</b>   |               |              |                   |
| Nov 21  | 1212.25       | 1192.25      | 20.00             |
| Jan 22  | 1221.50       | 1205.50      | 16.00             |
| Mar 22  | 1233.25       | 1217.50      | 15.75             |
| May 22  | 1242.75       | 1228.00      | 14.75             |
| <b>Soymeal</b>  |               |              |                   |
| Dec 21  | 344.50        | 332.70       | 11.80             |
| Jan 22  | 340.90        | 329.60       | 11.30             |
| Mar 22  | 339.00        | 329.10       | 9.90              |
| May 22  | 340.70        | 331.80       | 8.90              |
| <b>Soyoil</b>   |               |              |                   |
| Dec 21  | 59.14         | 58.78        | 0.36              |
| Jan 22  | 58.94         | 58.67        | 0.27              |
| Mar 22  | 58.67         | 58.40        | 0.27              |
| May 22  | 58.16         | 57.91        | 0.25              |
| <b>SRW</b>  |               |              |                   |
| Dec 21  | 812.50        | 766.50       | 46.00             |
| Mar 22  | 824.25        | 779.75       | 44.50             |
| May 22  | 827.25        | 783.75       | 43.50             |
| Jul 22  | 814.25        | 773.75       | 40.50             |
| <b>HRW</b>  |               |              |                   |
| Dec 21  | 828.00        | 778.75       | 49.25             |
| Mar 22  | 830.75        | 782.50       | 48.25             |
| May 22  | 829.75        | 783.75       | 46.00             |
| Jul 22  | 814.00        | 774.00       | 40.00             |
| <b>MGEX (HRS)</b>   |               |              |                   |
| Dec 21  | 1053.25       | 1009.50      | 43.75             |
| Mar 22  | 1046.00       | 995.25       | 50.75             |
| May 22  | 1026.00       | 975.25       | 50.75             |
| Jul 22  | 979.50        | 941.00       | 38.50             |

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

## **U.S. Weather/Crop Progress**

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**U.S. Drought Monitor Weather Forecast:** The Weather Prediction Center's forecast (valid November 10 – 16) calls for multiple rounds of precipitation in the Pacific Northwest. These events are expected to bring heavy rain with local areas of flash flooding. Snow is expected over the high elevations of the Pacific Northwest to the Upper Midwest. A cold front sweeping across the eastern half of the country will bring showers and thunderstorms to the South and rain and rain to much of the East. As the front moves through, temperatures will drop 2 – 5 degrees below normal in the central part of the country and 4 – 9 degrees cooler than normal across the Lower Midwest and Southeast. Temperatures will be 5 – 11 degrees warmer than normal across the West.

The Climate Prediction Center's 6 - 10-day outlook (valid November 16– 19) favors an active storm track across the northern tier of the Lower 48. This pattern would bring above-normal rainfall to the Pacific Northwest eastward to the Upper Midwest. Below-normal precipitation is likely across the southern tier of the Lower 48, with the greatest odds (more than 50%) over parts of the Southwest, the Southeast, and Alaska. The highest odds for above-normal temperatures occur in the Southwest (greater than 70%). Odds of above-normal temperatures decrease moving northward. The highest odds for below-normal temperatures occur in the Southeast (greater than 60%). Odds of below-normal temperatures decrease across the South and Midwest.

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. Veteran's Day holiday on Thursday, 11 November 2021, the USDA's weekly Export Sales report is delayed until Friday, 12 November 2021. Updated export statistics will be provided in next week's Market Perspectives report.

| U.S. Export Inspections: Week Ending November 4, 2021 |                    |               |                    |              |                            |
|---|--------------------|---------------|--------------------|--------------|----------------------------|
| Commodity (MT)  | Export Inspections |               | Current Market YTD | Previous YTD | YTD as Percent of Previous |
|   | Current Week       | Previous Week |                    |              |                            |
| Barley  | 0                  | 1,596         | 9,743              | 12,162       | 80%                        |
| Corn  | 563,163            | 671,085       | 6,037,008          | 7,602,804    | 79%                        |
| Sorghum   | 7,698              | 77,108        | 504,072            | 790,064      | 64%                        |
| Soybeans  | 2,646,892          | 2,607,534     | 13,851,236         | 20,025,864   | 69%                        |
| Wheat   | 231,854            | 130,721       | 9,899,442          | 11,707,368   | 85%                        |

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 November 4, 2021 |                |             |                                |  |                         |  |
|--|----------------|-------------|--------------------------------|--|-------------------------|--|
| 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   | 353,268        | 65%         | 19,781                         | 89%  | 1,102                   | 14%                                      |
| PNW  | 24             | 0%          | 49                             | 0%   | 0                       | 0%                                       |
| Interior Export Rail   | 187,746        | 35%         | 2,295                          | 10%  | 6,596                   | 86%                                      |
| <b>Total (Metric Tons)</b>   | <b>541,038</b> | <b>100%</b> | <b>22,125</b>                  | <b>100%</b>  | <b>7,698</b>            | <b>100%</b>                              |
| White Corn Shipments by Country (MT)                                   |                |             | 12,168<br>7,613<br>2,295<br>49 | to Guatemala<br>to El Salvador<br>to Mexico<br>to UK |                         |  |
| <b>Total White Corn</b>  |                |             | <b>22,125</b>                  |  |                         |  |
| Sorghum Shipments by Country (MT)                                      |                |             |                                |  | 4,024<br>2,572<br>1,102 | to Mexico<br>to Vietnam<br>to Madagascar |
| <b>Total Sorghum</b>   |                |             |                                |  | <b>7,698</b>            |  |

Source: USDA, World Perspectives, Inc.



# FOB

| Yellow Corn (USD/MT FOB Vessel*, **)    |                  |                       |                  |                       |
|---|------------------|-----------------------|------------------|-----------------------|
| YC FOB Vessel<br>Max. 15.0%<br>Moisture | GULF             |                       | PNW              |                       |
|   | Basis<br>(#2 YC) | Flat Price<br>(#2 YC) | Basis<br>(#2 YC) | Flat Price<br>(#2 YC) |
| December                                | 1.06+Z           | \$265.93              | 2.11+Z           | \$307.27              |
| January                                 | 0.92+H           | \$263.76              | 1.76+H           | \$296.96              |
| February                                | 0.89+H           | \$262.58              | 1.77+H           | \$297.10              |
| March                                   | 0.85+H           | \$261.01              | 1.81+H           | \$298.61              |
| April                                   | 0.83+K           | \$261.70              | 1.76+K           | \$298.51              |
| May                                     | 0.83+K           | \$261.70              | 1.76+K           | \$298.51              |

| #2 White Corn (U.S. \$/MT FOB Vessel*) |          |         |          |
|--|----------|---------|----------|
| Max. 15.0% Moisture                    | December | January | February |
| Gulf                                   | N/A      | N/A     | N/A      |

| Sorghum (USD/MT FOB Vessel*)            |       |            |        |            |
|---|-------|------------|--------|------------|
| #2 YGS FOB Vessel<br>Max 14.0% Moisture | NOLA  |            | TEXAS  |            |
|   | Basis | Flat Price | Basis  | Flat Price |
| December                                | N/A   | N/A        | 2.00+Z | \$302.94   |
| January                                 | N/A   | N/A        | 1.80+H | \$298.41   |
| February                                | N/A   | N/A        | 1.80+H | \$298.41   |

| Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*) |          |         |          |
|--|----------|---------|----------|
|  | December | January | February |
| New Orleans  | \$230    | \$235   | \$235    |
| Quantity 5,000 MT  |          |         |          |
| Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)          |          |         |          |
| Bulk 60% Pro.  | December | January | February |
| New Orleans  | \$695    | \$700   | \$700    |
| *5-10,000 MT Minimum                                     |          |         |          |

\*Prices are based on offer indications only. Quoted prices are believed to reflect current market conditions but may vary from actual offers. Terms of delivery, payment, and quality may vary from one supplier to another, impacting the actual value of the price.

\*\* Note that both FOB Gulf and FOB PNW markets will 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.

**DDGS Price Table: November 11, 2021 (USD/MT)**  
(Quantity, availability, payment and delivery terms vary)

| <b>Delivery Point<br/>Quality Min. 35% Pro-fat combined</b> | <b>December</b> | <b>January</b> | <b>February</b> |
|---|-----------------|----------------|-----------------|
| Barge CIF New Orleans                                       | 261             | 261            | 260             |
| FOB Vessel GULF   | 274             | 274            | 270             |
| Rail delivered PNW  | 308             | 310            | 312             |
| Rail delivered California                                   | 311             | 313            | 316             |
| Mid-Bridge Laredo, TX                                       | 308             | 310            | 313             |
| FOB Lethbridge, Alberta                                     | 281             | 282            | 284             |
| 40 ft. Containers to South Korea (Busan)                    | 335             | 335            | 335             |
| 40 ft. Containers to Taiwan (Kaohsiung)                     | 340             | 340            | 340             |
| 40 ft. Containers to Philippines (Manila)                   | 355             | 355            | 355             |
| 40 ft. Containers to Indonesia (Jakarta)                    | 349             | 349            | 349             |
| 40 ft. Containers to Malaysia (Port Kelang)                 | 348             | 348            | 348             |
| 40 ft. Containers to Vietnam (HCMC)                         | 349             | 349            | 349             |
| 40 ft. Containers to Japan (Yokohama)                       |                 |                |                 |
| 40 ft. containers to Thailand (LCMB)                        | 349             | 349            | 349             |
| 40 ft. Containers to China (Shanghai)                       |                 |                |                 |
| 40 ft. Containers to Bangladesh (Chittagong)                | 410             | 410            | 410             |
| 40 ft. Containers to Myanmar (Yangon)                       | 349             | 349            | 349             |
| KC Rail Yard (delivered ramp)                               |                 |                |                 |
| Elwood, IL Rail Yard (delivered ramp)                       | 237             | 238            | 240             |

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.**

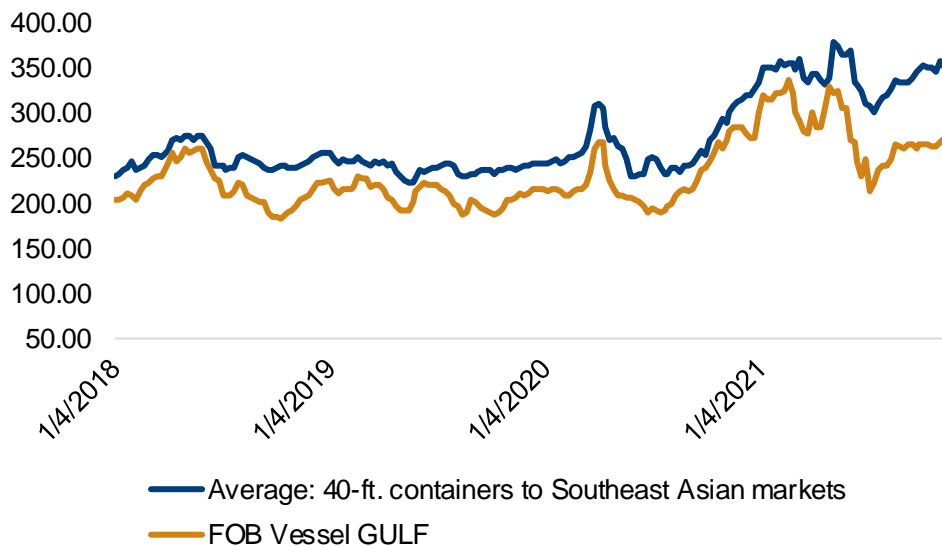
## Distiller's Dried Grains with Solubles (DDGS)

**DDGS Comments:** U.S. DDGS prices are down \$2.50/MT this week as buyers remain quiet with Q4 needs already filled. The recent surge in ethanol production has created ample domestic supplies amid a seasonal slowdown in purchases. Soymeal prices continue to strengthen amid strong end-user demand, sending Kansas City prices up \$17/MT this week. The Kansas City soymeal/DDGS ratio fell to 0.49 this week, down from 0.51 last week but above the 3-year average of 0.42. The DDGS/cash corn ratio slipped to 0.90 this week, down from 0.93 last week and below the 3-year average ratio of 1.09.

DDGS prices are mixed on the export market with Barge CIF NOLA and FOB NOLA offers rising this week. Barge rates are up \$8-10/MT this week while FOB Gulf offers are up \$7/MT for December positions and up \$5-6/MT for Q1 2022. Brokers report Asian destinations remain quiet despite the recent pullback in freight values. The average offer price for 40-foot containers to Southeast Asia hit \$350/MT for December/January shipment this week, down \$8/MT from last week.

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



Source: World Perspectives, Inc.

## Country News

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**Argentina:** Corn sales have been rising and barley exports are expected to hit 3.5 MMT but the Bolsa Comercio de Rosario says that farmer gross margins will be hurt by higher input costs. (AgriCensus)

**Brazil:** Planting weather has thus far been excellent and AgRural says corn sowing is 75 percent complete. Conab raised its forecast for 2021/22 corn production 0.344 percent to 116.7 MMT. The corn production area will increase but there are concerns about both the price and availability of fertilizer. IMEA reports that corn prices are down in Mato Grosso, subdued by high imports. ANEC says corn exports hit 2.647 MMT in November. (Reuters, Soybean and Corn Advisor)

**EU:** Barley exports for 2021/22 reached 2.94 MMT, versus 3.02 MMT a year ago; maize imports were at 4.39 MMT, against 6.07 MMT previously. FranceAgriMer reports that 73 percent of the maize crop has been harvested and it raised its estimate for 2021 production to 14.5 MMT from last month's 13.9 MMT, making it the largest crop since 2014. It left the barley crop estimate unchanged at 11.4 MMT. The additional 25 percent duty imposed on U.S. corn will disappear from January 1 onward. (Reuters, AgriCensus)

**Jordan:** Government agency MIT tendered for 120 KMT of feed barley. The agency purchased 60 KMT of Australian barley for April delivery. (Reuters)

**Saudi Arabia:** Barley imports during the first six months of MY2021/22 (July – Dec. 2021) are estimated at 2.8 MMT, a 30 percent decline compared to the same period last year. The reduction is due to a shortage of vessels that are otherwise servicing China. As a result, C&F barley prices have increased from \$260/MT in August to \$340/MT at the end of October. Total barley imports for MY2021/22 will be 5.5 MMT, down 21% compared to the USDA official estimate of 7 MMT. (FAS)

**South Korea:** MFG purchased 137 KMT of corn at \$317/MT for February delivery. (AgriCensus)

**Tunisia:** Government agency ODC bought 75 KMT of barley, optional origin. (Reuters)

**Turkey:** Government agency TMO is purchasing barley for delivery in December/January. (AgriCensus)

## Ocean Freight Markets and Spreads

| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*<br>November 11, 2021            |                               |                             |   |
|---|-------------------------------|-----------------------------|---|
| Route and Vessel Size   | Current Week (USD/MT)         | Change from Previous Report | Remarks   |
| 55,000 U.S. Gulf-Japan  | \$78.00                       | Down \$6.50                 | Handymax \$78.50/MT   |
| 55,000 U.S. PNW- Japan  | \$42.00                       | Down \$3.25                 | Handymax \$42.50/MT   |
| 66,000 U.S. Gulf – China  | \$77.00                       | Down \$6.50                 | North China   |
| PNW to China  | \$41.25                       | Down \$3.25                 |   |
| 25,000 U.S. Gulf - Veracruz, México   | \$27.75                       | Down \$2.00                 | 3,000 MT daily discharge rate   |
| 30-36,000+ U.S. Gulf - Veracruz, México   | \$25.00                       | Down \$2.00                 | Deep draft and 6,000 MT per day discharge rate.                             |
| 30-38,000 U.S. Gulf - Colombia<br>50,000 MT U.S. Gulf to<br>East Coast Colombia<br>From Argentina | \$40.50<br>\$39.50<br>\$56.00 | Down \$3.50                 | <u>West Coast Colombia at \$48.00</u>                                       |
| 43-45,000 U.S. Gulf - Guatemala   | \$46.25                       | Down 3.00                   | Acajutla/Quetzal - 8,000 out  |
| 26-30,000 U.S. Gulf – Algeria   | \$65.00<br>\$67.00            | Down \$5.00                 | 8,000 MT daily discharge<br>3,000 MT daily discharge                        |
| 26-30,000 US Gulf - Morocco   | \$62.50                       | Down \$5.00                 | 5,000 discharge rate  |
| 55-60,000 U.S. Gulf –Egypt  | \$63.00                       | Down \$6.00                 | 60,000 -55,000 MT -Egypt  |
| PNW to Egypt  | \$63.50                       |                             | Romania – Russia - Ukraine<br>\$27.00 - \$28.00 - \$28.50<br>France \$40.00 |
| 60-70,000 U.S. Gulf – Europe, Rotterdam   | \$29.00                       | Unchanged                   | Handymax at +\$2.00 more  |
| Brazil, Santos – China  | \$62.50                       | Down \$4.25                 | 54-59,000 Supramax-Panamax  |
| Brazil, Santos – China  | \$61.00                       |                             | 60-66,000 Post Panamax  |
| Northern Coast Brazil - China   | \$62.00                       |                             | Upriver No. Brazil Plus -55,000<br>MT Plus \$7.50 - 8.00/MT                 |
| 56-60,000 Argentina/Rosario-<br>China, Deep Draft   | \$67.25                       | Down \$4.25                 | Upriver with BB Top Off<br>Plus \$3.75 - 4.00/MT                            |

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:** Vessel owners and FFA traders are hoping dry-bulk freight markets have finally hit bottom and are bouncing higher. The last three weeks were very dramatic, and painful, for vessel owners and paper traders who were long. This week saw a slow recovery from last week's big fall in values. The market recovery has not been robust but, at least, seems to have stopped the free fall correction in rates. Current market values are still below last week's close but are an improvement from this week's earlier lows. We are heading into the December-January holiday season and will have to see which side of the market is more motivated before the Christmas and New Year holidays down time arrives.

Container rates continue to fall and there is hope that logistics will start to improve after the Christmas holiday season. But supply chain problems still exist and empty spaces on store shelves remain. It will take time to resolve the multitude of issues involved in port and interior logistics.

| Baltic-Panamax Dry-Bulk Indices |           |           |            |                |
|---------------------------------|-----------|-----------|------------|----------------|
| November 11, 2021               | This Week | Last Week | Difference | Percent Change |
| Route                           |           |           |            |                |
| P2A: Gulf/Atlantic – Japan      | 39,945    | 41,909    | -1,964     | -4.7           |
| P3A: PNW/Pacific– Japan         | 22,937    | 23,588    | -651       | -2.8           |
| S1C: U.S. Gulf-China-S. Japan   | 42,583    | 48,000    | -5,417     | -11.3          |

Source: O'Neil Commodity Consulting

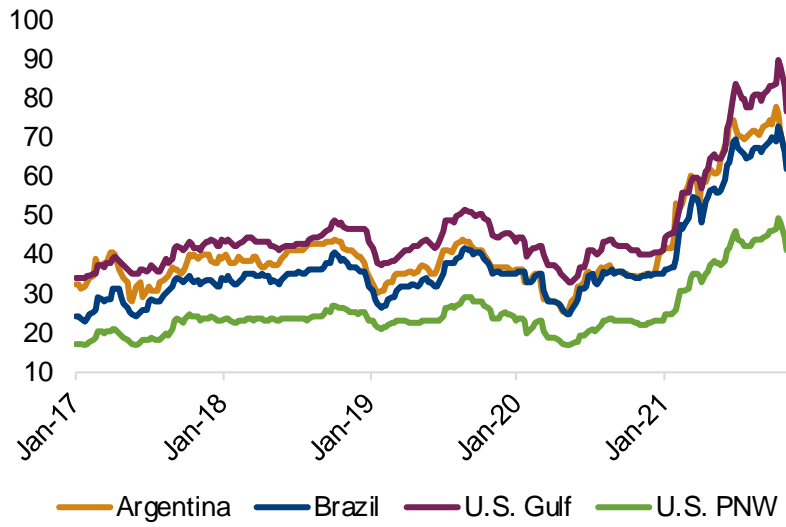
| Capesize Vessel Freight Values              |               |
|---|---------------|
| Western Australia to South China (iron ore) |               |
| Four weeks ago:                             | \$18.50-22.00 |
| Three weeks ago:                            | \$16.50-20.00 |
| Two weeks ago:                              | \$12.50-14.00 |
| One week ago:                               | \$10.50-12.60 |
| This week                                   | \$11.50-12.75 |

Source: O'Neil Commodity Consulting

| U.S.-Asia Market Spreads |         |         |               |                |           |
|--------------------------|---------|---------|---------------|----------------|-----------|
| November 11, 2021        | PNW     | Gulf    | Bushel Spread | MT Spread      | Advantage |
| #2 Corn                  | 1.95    | 1.00    | 0.95          | \$37.40        | GULF      |
| Soybeans                 | 2.05    | 0.90    | 1.15          | \$42.26        | GULF      |
| Ocean Freight            | \$41.25 | \$77.00 | 0.91-0.97     | <b>\$35.75</b> | December  |

Source: O'Neil Commodity Consulting

### Bulk Grain Freight Rates to China from Select Origins



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

**Bulk Grain Freight Rates for Key Suppliers and Destinations**  
**November 11, 2021**

| Origin                          | Destination  | This Week | Monthly Change | Monthly % Change | Yearly Change | Yearly % Change | 2-Year History |
|---------------------------------|--------------|-----------|----------------|------------------|---------------|-----------------|----------------|
| <i>Panamax/Supramax Vessels</i> |              |           |                |                  |               |                 |                |
| U.S. Gulf                       |              | 78.00     | -6.75          | -8.0%            | 36.75         | 89.1%           |                |
| U.S. PNW                        | Japan        | 42.00     | -5.00          | -10.6%           | 19.25         | 84.6%           |                |
| Argentina                       |              | 71.50     | -3.00          | -4.0%            | 36.00         | 101.4%          |                |
| Brazil                          |              | 64.50     | -4.00          | -5.8%            | 37.00         | 134.5%          |                |
| U.S. Gulf                       |              | 77.00     | -7.00          | -8.3%            | 37.00         | 92.5%           |                |
| U.S. PNW                        | China        | 41.25     | -5.25          | -11.3%           | 19.25         | 87.5%           |                |
| Argentina                       |              | 67.25     | -6.50          | -8.8%            | 33.00         | 96.4%           |                |
| Brazil                          |              | 62.00     | -7.00          | -10.1%           | 28.00         | 82.4%           |                |
| U.S. Gulf                       |              | 29.00     | -6.00          | -17.1%           | 10.00         | 52.6%           |                |
| Argentina                       | Europe       | 41.50     | 2.00           | 5.1%             | 21.00         | 102.4%          |                |
| Brazil                          |              | 43.50     | -1.00          | -2.2%            | 17.00         | 64.2%           |                |
| Argentina                       | Saudi Arabia | 77.50     | 3.00           | 4.0%             | 37.00         | 91.4%           |                |
| Brazil                          |              | 70.50     | 3.00           | 4.4%             | 29.00         | 69.9%           |                |
| U.S. Gulf                       |              | 63.00     | -6.50          | -9.4%            | 35.50         | 129.1%          |                |
| U.S. PNW                        | Egypt        | 70.80     | 1.40           | 2.0%             | 42.80         | 152.9%          |                |
| Argentina                       |              | 50.50     | 1.00           | 2.0%             | 23.00         | 83.6%           |                |
| Brazil                          |              | 61.50     | 3.00           | 5.1%             | 30.00         | 95.2%           |                |
| <i>Handysize Vessels</i>        |              |           |                |                  |               |                 |                |
| U.S. Gulf                       |              | 62.50     | -3.50          | -5.3%            | 23.00         | 58.2%           |                |
| U.S. Great Lakes                | Morocco      | 69.00     | 0.00           | 0.0%             | 25.00         | 56.8%           |                |
| Argentina                       |              | 41.50     | 2.00           | 5.1%             | 13.00         | 45.6%           |                |
| Brazil                          |              | 46.50     | 3.00           | 6.9%             | 16.00         | 52.5%           |                |
| U.S. Great Lakes                | Europe       | 66.00     | 0.00           | 0.0%             | 23.00         | 53.5%           |                |
| Brazil                          |              | 43.30     | 0.20           | 0.5%             | 10.70         | 32.8%           |                |
| Argentina                       | Algeria      | 46.50     | 3.00           | 6.9%             | 16.00         | 52.5%           |                |
| Brazil                          |              | 46.50     | 3.00           | 6.9%             | 14.00         | 43.1%           |                |
| U.S. Gulf                       |              | 40.50     | -5.75          | -12.4%           | 20.75         | 105.1%          |                |
| U.S. PNW                        | Colombia     | 51.00     | -1.00          | -1.9%            | 20.00         | 64.5%           |                |
| Argentina                       |              | 56.00     | -6.25          | -10.0%           | 26.00         | 86.7%           |                |
| <i>Shipping Indexes</i>         |              |           |                |                  |               |                 |                |
| Baltic Dry Index                |              | 2718      | -2770          | -50.5%           | 1511          | 125.2%          |                |

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

Note: Quoted rates are believed to reflect current market conditions but may vary from actual offers. Rates may differ based on delivery terms, demurrage, and other factors.