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GENERAL COMMENTS

U.S. DDGS prices are down \$1/MT this week as continued increases in ethanol run rates boost domestic supplies. Brokers note logistics complications and high barge freight rates make it more attractive to sell product into the domestic or Mexican and Canadian markets than down into the Gulf. Kansas City soymeal prices are up \$3.50/MT this week as cash markets are slowly following futures higher. The DDGS/Kansas City soymeal ratio sits at 0.52 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 0.94, down from 0.97 last week and below the three-year average of 1.09.

A wide bid-ask spread continues to characterize the DDGS export market and prices are largely steady with the prior two weeks. Barge CIF NOLA offers are slightly lower this week while FOB Gulf offers are up \$1-2/MT. Brokers report demand from Southeast Asia has been quiet, allowing offers for 40-foot containers to fall slightly.

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 28, 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 | 251 | 253 | 253 |
| FOB Vessel GULF | 264 | 264 | 267 |
| Rail delivered PNW | 289 | 292 | 292 |
| Rail delivered California | 295 | 296 | 297 |
| Mid-Bridge Laredo, TX | 288 | 290 | 293 |
| FOB Lethbridge, Alberta | 280 | 281 | 285 |
| 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) | 347 | 347 | 347 |
| 40 ft. Containers to Malaysia (Port Kelang) | 344 | 344 | 344 |
| 40 ft. Containers to Vietnam (HCMC) | 344 | 344 | 344 |
| 40 ft. Containers to Japan (Yokohama) | | | |
| 40 ft. containers to Thailand (LCMB) | 347 | 347 | 347 |
| 40 ft. Containers to China (Shanghai) | | | |
| 40 ft. Containers to Bangladesh (Chittagong) | | | |
| 40 ft. Containers to Myanmar (Yangon) | 347 | 347 | 347 |
| KC Rail Yard (delivered ramp) | | | |
| Elwood, IL Rail Yard (delivered ramp) | 237 | 239 | 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.**

OCEAN FREIGHT MARKET

It has been a wild ride for the Capesize sector and other dry-bulk markets. In the last 30 days spot Capesize vessel daily hire rates have gone from a high of \$90,000/day down to \$60,000/day. December FFA values slipped to \$31,000/day. Iron ore rates from West Australia to China dropped from \$22.65/MT to \$12.50. Panamax and Supramax markets have had no choice but to follow these markets lower.

It looks as if market players simply got too excited too quickly in the previous rally. The question today is, have we finally hit bottom? In my opinion the market pendulum has swung too far in both directions and will likely moderate in the coming weeks. As mentioned last week, the one constant in dry-bulk markets is volatility. The current break in values should provide a good buying opportunity for charterers.

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 28, 2021 | | | |
| Route and Vessel Size | Current Week (USD/MT) | Change from Previous Report | Remarks |
| 55,000 U.S. Gulf-Japan | \$89.50 | Down \$1.50 | Handymax \$90.00/MT |
| 55,000 U.S. PNW- Japan | \$49.00 | Down \$1.00 | Handymax \$49.00/MT |
| 66,000 U.S. Gulf – China | \$88.50 | Down \$1.50 | North China |
| PNW to China | \$48.25 | Down \$1.25 | |
| 25,000 U.S. Gulf - Veracruz, México | \$30.75 | Down \$0.50 | 3,000 MT daily discharge rate |
| 30-36,000+ U.S. Gulf - Veracruz, México | \$28.75 | Down \$0.50 | Deep draft and 6,000 MT per day discharge rate. |
| 30-38,000 U.S. Gulf - Colombia | \$47.00 \$46.00 \$64.25 | Down \$0.75 | <u>West Coast Colombia at \$55.00</u> |
| 50,000 MT U.S. Gulf to East Coast Colombia | | | |
| From Argentina | | | |
| 43-45,000 U.S. Gulf - Guatemala | \$52.25 | Down 1.00 | Acajutla/Quetzal - 8,000 out |
| 26-30,000 U.S. Gulf – Algeria | \$73.00 \$75.00 | Down \$1.00 | 8,000 MT daily discharge 3,000 MT daily discharge |
| 26-30,000 US Gulf - Morocco | \$70.50 | Down \$1.25 | 5,000 discharge rate |
| 55-60,000 U.S. Gulf –Egypt | \$73.00 | Down \$1.25 | 60,000 -55,000 MT - Egypt Romania – Russia - Ukraine \$31.55 - \$32.00 - \$33.00 France \$45.50 |
| PNW to Egypt | \$73.50 | | |
| 60-70,000 U.S. Gulf – Europe, Rotterdam | \$30.50 | Down \$1.50 | Handymax at +\$2.00 more |
| Brazil, Santos – China | \$71.00 | Down \$1.50 | 54-59,000 Supramax-Panamax 60-66,000 Post Panamax |
| Brazil, Santos – China | \$70.50 | | |
| Northern Coast Brazil - China | \$71.50 | | |
| 56-60,000 Argentina/Rosario-China, Deep Draft | \$76.50 | Down \$1.50 | Upriver No. Brazil Plus -55,000 MT Plus \$7.50-8.00/MT 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):

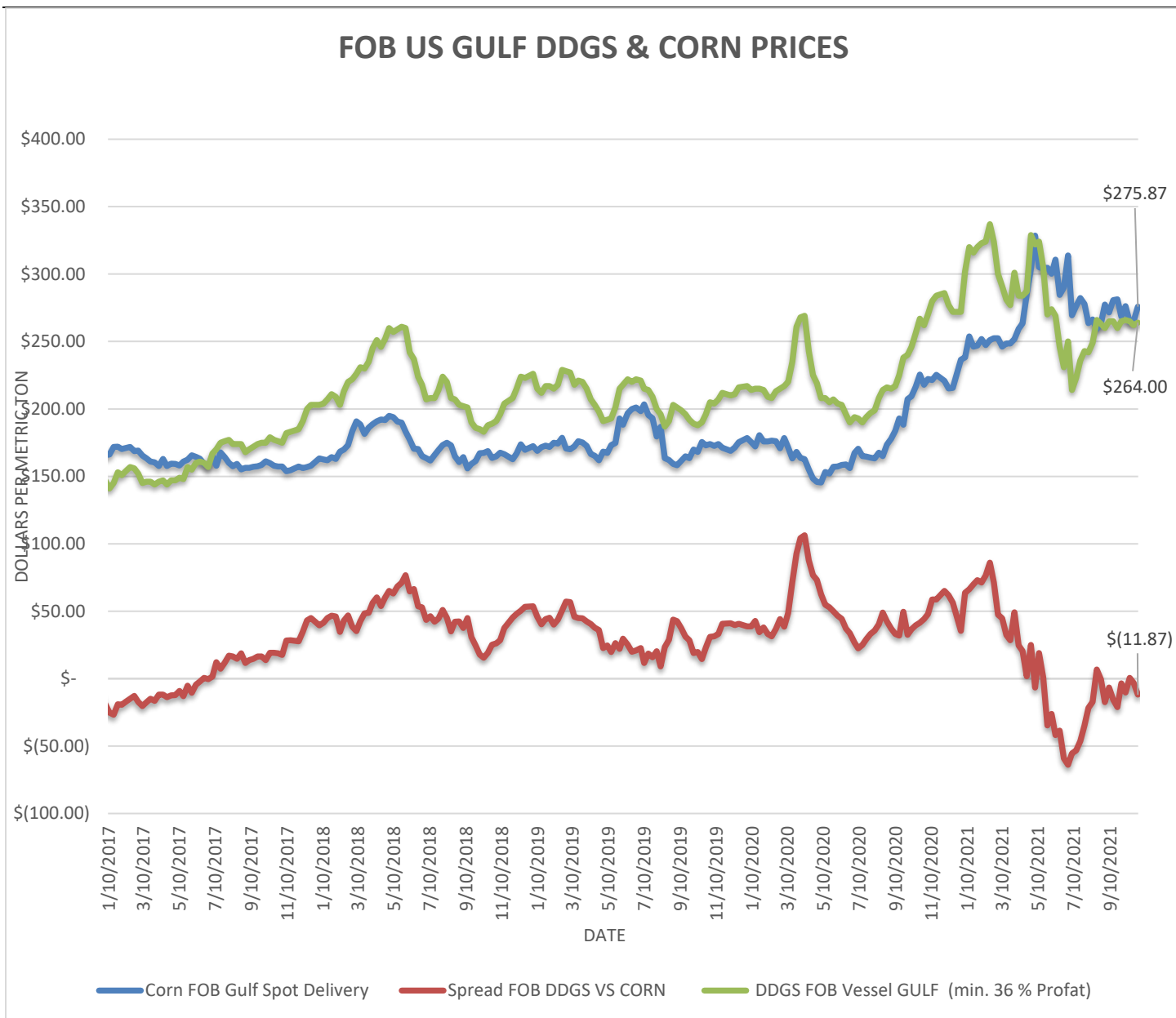
| Partner | MY 16/17 | MY 17/18 | MY 18/19 | MY 19/20 | MY 20/21 | CHANGE Y/Y (%) | CHANGE Y/Y (MT) |
|--------------------|------------|------------|------------|------------|------------|----------------|-----------------|
| <i>World Total</i> | 11,057,322 | 11,631,190 | 11,271,838 | 10,487,573 | 11,617,032 | 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

