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GENERAL COMMENTS

U.S. DDGS prices are up \$2.50/MT this week, erasing last week's losses as broader feedstuff markets strengthen. Strength in other feed ingredients is creating support in the DDGS market, despite strong U.S. production rates. Cash soymeal prices are up sharply this week amid an increase in demand and a shortage of feed ingredient L-lysine. Kansas City soymeal prices are \$15/MT higher this week and at 6-month highs due to the rally. The Kansas City soymeal/DDGS ratio fell to 0.45 this week, down from 0.49 last week but above the 3-year average of 0.42. The DDGS/cash corn ratio slipped to 0.89 this week, down from 0.90 last week and below the 3-year average ratio of 1.09.

Brokers and exporters report DDGS demand is picking up on the export market. Lower freight rates have helped boost international interest, but buyers also have to contend with this week's foreign exchange rate swings. Barge CIF NOLA offers are up \$7-9/MT for December – February shipment while FOB Gulf offers are \$2-3/MT higher for December and January and \$7/MT higher for February. Trade to Southeast Asia is still slow and characterized by a wide bid/ask spread but offers are up \$5-10/MT for Q1 2022 shipment, averaging \$357/MT for 40-foot containers.

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: November 18, 2021 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	December	January	February
Barge CIF New Orleans	268	269	269
FOB Vessel GULF	276	277	277
Rail delivered PNW	314	316	316
Rail delivered California	318	319	320
Mid-Bridge Laredo, TX	307	308	311
FOB Lethbridge, Alberta	286	288	292
40 ft. Containers to South Korea (Busan)		340	340
40 ft. Containers to Taiwan (Kaohsiung)		345	345
40 ft. Containers to Philippines (Manila)		360	360
40 ft. Containers to Indonesia (Jakarta)			
40 ft. Containers to Malaysia (Port Kelang)		350	350
40 ft. Containers to Vietnam (HCMC)		360	360
40 ft. Containers to Japan (Yokohama)			
40 ft. containers to Thailand (LCMB)		360	360
40 ft. Containers to China (Shanghai)		415	415
40 ft. Containers to Bangladesh (Chittagong)			
40 ft. Containers to Myanmar (Yangon)			
KC Rail Yard (delivered ramp)	243	243	243
Elwood, IL Rail Yard (delivered ramp)	237	239	239

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

Today's dry-bulk refrain is, "have we hit bottom yet". Volatility has certainly been the operative word for dry-bulk markets. One month ago, vessel owners believed rates were shooting for the moon. After reaching 13-year highs on the Baltic exchange in late October, markets dropped to 5-month lows in the last 10 days. These are truly brutal markets. Markets are extremely sensitive to the ebb and flow of Chinese demand for all bulk commodities. As Chinese demand goes; so goes freight markets.

China is attempting to control high prices by cutting back on purchases. So far the strategy has been somewhat successful. But will they return to the buying table now that prices have dropped and inevitably push markets back up, or have they satisfied their hunger ?

Container shipping lines are ordering new vessels like there is no tomorrow; but tomorrow will come and we will find that there are too many container ships on the seas.

Source: O'Neil Commodity Consulting



Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* November 18, 2021			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$70.00	Down \$7.00	Handymax \$71.00/MT
55,000 U.S. PNW- Japan	\$37.50	Down \$3.75	Handymax at \$38.00/MT
66,000 U.S. Gulf – China	\$71.00	Down \$7.00	North or South China
PNW to China	\$38.25	Down \$3.75	
25,000 U.S. Gulf - Veracruz, México	\$25.50	Down \$2.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$22.25	Down \$2.75	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$36.50	Down \$4.00	<u>West Coast Colombia at \$44.00</u>
50,000 MT U.S. Gulf to East Coast Colombia	\$35.50		
From Argentina	\$51.00		
43-45,000 U.S. Gulf - Guatemala	\$45.00	Down \$4.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	Unqtd.		
26-30,000 US Gulf - Morocco	\$57.50	Down \$5.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$58.00	Down \$5.00	55,000-60,000 MT Egypt Romania – Russia - Ukraine \$25.00 - 27.00 - 26.50/MT
PNW to Egypt	\$58.50		
60-70,000 U.S. Gulf – Europe, Rotterdam	\$28.50	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos – China	\$56.50	Down \$6.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 MT
Brazil, Santos – China	\$55.00		
Northern Coast Brazil - China	\$63.50		
56-60,000 Argentina/Rosario-China, Deep Draft	\$63.50	Down \$6.00	Up-River with 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 - Sep 2020	Jan - Sep 2021	CHANGE Y/Y (%)	CHANGE Y/Y (MT)
<i>World Total</i>	11,799,279	10,792,499	10,930,190	8,171,690	8,586,397	5%	414,707
Mexico	2,012,746	2,022,752	1,732,282	1,255,965	1,738,599	38%	482,634
Vietnam	1,246,899	1,202,103	1,280,377	923,268	1,074,327	16%	151,059
Korea, South	1,139,457	1,242,497	1,263,476	925,478	835,012	-10%	-90,466
Indonesia	843,582	913,488	934,261	671,026	649,209	-3%	-21,817
Thailand	1,016,581	574,380	848,838	720,864	290,573	-60%	-430,291
Turkey	887,129	577,364	790,455	567,270	656,175	16%	88,905
Japan	465,962	516,881	463,118	405,879	316,583	-22%	-89,296
Canada	664,483	643,994	397,450	292,931	487,136	66%	194,205
Ireland	396,265	277,440	291,278	227,276	238,828	5%	11,552
Philippines	196,418	261,977	281,101	227,941	151,659	-33%	-76,282
New Zealand(*)	250,081	208,571	278,870	200,679	178,402	-11%	-22,277
China	192,174	174,338	271,697	165,394	270,220	63%	104,826
Taiwan	220,547	242,521	241,254	182,828	166,540	-9%	-16,288
Colombia	220,222	200,615	209,961	147,071	186,970	27%	39,899
Israel(*)	276,156	212,153	196,975	175,177	165,122	-6%	-10,055
Morocco	190,682	223,352	188,929	136,253	172,650	27%	36,397
Egypt	193,254	142,141	182,822	150,895	155,186	3%	4,291
Bangladesh	150,788	160,873	164,989	107,740	132,120	23%	24,380
United Kingdom	323,780	180,625	121,609	104,219	106,629	2%	2,410
Costa Rica	77,142	92,651	83,807	66,915	59,807	-11%	-7,108
Honduras	53,526	62,508	75,218	49,974	47,162	-6%	-2,812
Guatemala	66,435	73,214	73,335	47,371	63,453	34%	16,082
Spain	213,717	103,369	64,670	64,670	129,624	100%	64,954

Marketing Year (September-August):

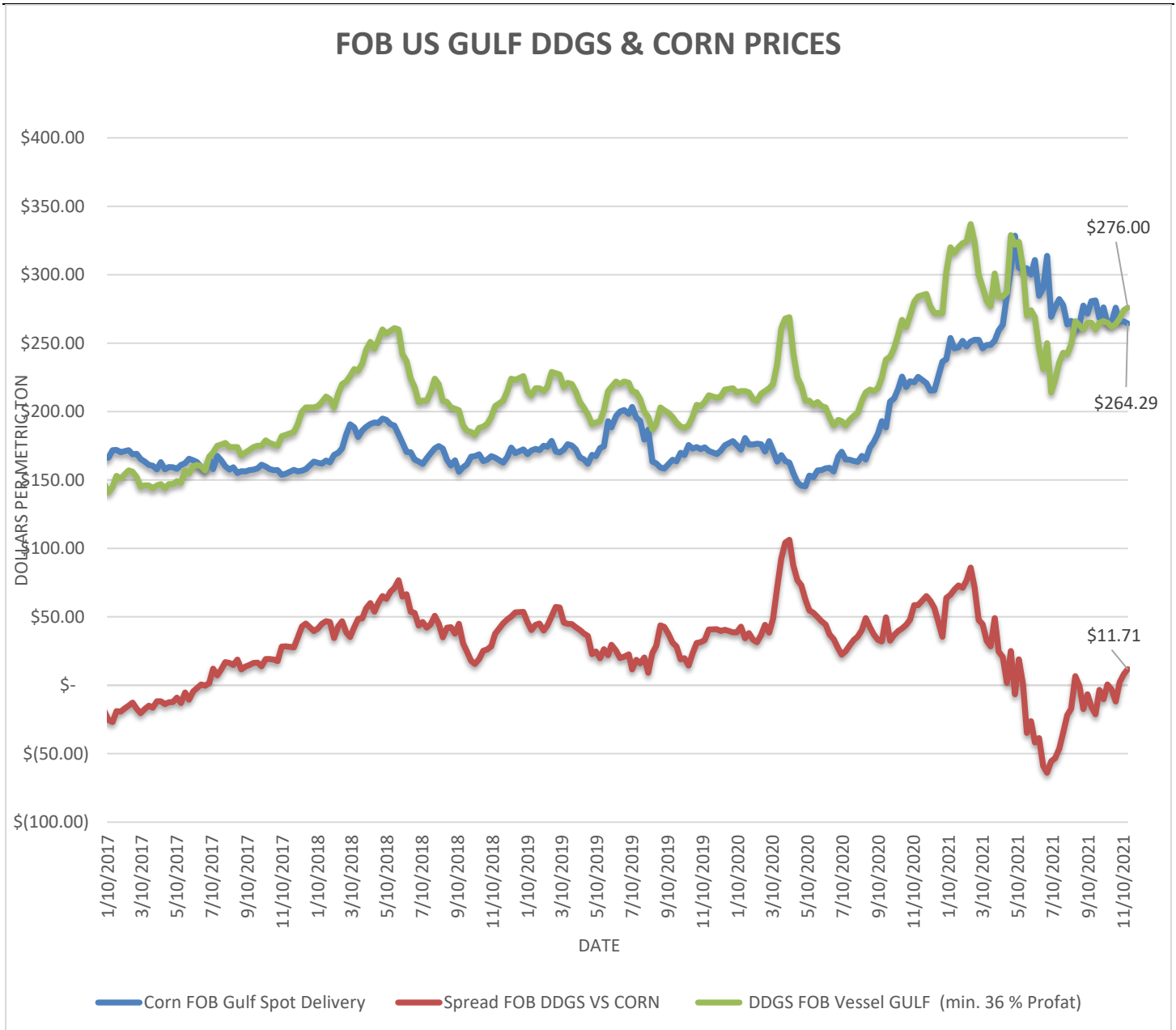
Partner	MY 18/19	MY 19/20	MY 20/21	Sep-20	Sep-21	CHANGE Y/Y (%)	CHANGE Y/Y (MT)
<i>World Total</i>	11,271,838	10,487,573	11,617,032	1,125,886	853,751	-24%	-272,135
Mexico	2,011,034	1,789,732	2,149,847	94,589	159,658	69%	65,069
Vietnam	1,294,321	1,206,237	1,440,756	126,045	116,725	-7%	-9,320
Korea, South	1,189,038	1,209,995	1,166,612	101,688	108,086	6%	6,398
Turkey	498,947	601,596	937,058	86,187	28,489	-67%	-57,698
Indonesia	971,736	905,812	910,667	66,947	68,724	3%	1,777
Canada	701,610	426,510	532,268	34,062	93,449	174%	59,387
Japan	481,178	482,063	475,560	114,940	13,202	-89%	-101,738
Thailand	724,888	880,000	453,023	50,716	16,240	-68%	-34,476
China	178,169	196,858	368,620	42,074	49,977	19%	7,903
Ireland	339,843	259,117	330,248	55,456	28,038	-49%	-27,418
Colombia	195,446	209,611	268,732	29,651	10,779	-64%	-18,872
New Zealand(*)	202,115	282,083	259,593	25,000	22,000	-12%	-3,000
Philippines	242,381	281,616	239,773	47,872	12,918	-73%	-34,954
Morocco	218,396	200,341	236,168	10,842	0	-100%	-10,842
Taiwan	234,317	252,422	228,718	18,078	14,326	-21%	-3,752
Egypt	79,936	158,273	228,147	56,285	15,251	-73%	-41,034
Bangladesh	178,891	124,516	202,256	21,845	8,958	-59%	-12,887
Israel(*)	250,648	168,131	196,662	23,742	14,000	-41%	-9,742
Spain	179,068	20,699	154,217	43,971	19,378	-56%	-24,593
United Kingdom	362,848	135,149	124,019	0	0		0
Guatemala	75,909	74,232	89,417	0	0		0
Costa Rica	88,074	81,195	82,669	12,311	6,341	-48%	-5,970
Honduras	59,954	58,640	77,280	9,558	4,684	-51%	-4,874

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 (SEPTEMBER 2021)

FOB US DDGS AND CORN PRICES



FOB US DDGS AND SOYBEAN MEAL PRICES

