



Market Perspectives

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May 12, 2022

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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 July Corn Contract | | | | | |
|---|---|---|--|--|--|
| Cents/Bu | Friday May 6 | Monday May 9 | Tuesday May 10 | Wednesday May 11 | Thursday May 12 |
| Change | -12.75 | -12.75 | 3.25 | 13.25 | 3.00 |
| Closing Price | 784.75 | 772.00 | 775.25 | 788.50 | 791.50 |
| Factors Affecting the Market | Corn slid lower on a forecast of good weather for the US over the weekend. Planting will likely progress quickly, except for the flooded N. Plains. Corn in Argentina and Brazil is still battling drought and the Argentine crop is only 16% harvested. Outside markets were weaker with U.S. stocks and the dollar falling. | A macro-market "risk off" day helped pressure the CBOT, including corn, to start the week. Planting was thought to have made good progress last weekend and that helped the selling mood. USDA said 55 Mbu was inspected for export last week. U.S. equities were sharply lower while crude oil dropped \$6+/brl. | Corn cautiously traded higher after USDA reported just 22% planting progress late Monday. This is the slowest start to planting in 9 years, but forecasts call for the pace to speed up soon. Private firms continue to cut Brazil's crop estimate with some as low as 105 MMT, versus USDA's 114 MMT estimate in April. | Corn rallied sharply on ideas of a bullish WASDE and strong technical support. Fresh news was light, but few traders wanted to be short going into the WASDE. Ethanol output was up from the prior week while stocks fell amid steady gasoline demand. Macro markets sold off and U.S. stocks ended lower, but the USD rose 1.029 bps. | July corn ended higher but struggled against bear old crop/new crop spreading. USDA's WASDE was bullish as expected, but more so for the 2022/23 crop. USDA left S. American corn production unchanged, vs. expectations of smaller crops. Outside markets were mixed with the USD up 94 bps and stocks lower. |

Outlook: July corn futures are 6 cents (0.9 percent) higher this week as weak macroeconomic markets pressured early-week trade, but bullish fundamentals sparked a rally before the May WASDE. USDA's report offered bullish support for the market and July futures finished 3 cents higher after the WASDE's release while the December contract posted a 17 ¼-cent gain.

USDA's May WASDE was expected to be bullish the grain markets and it did not disappoint. For corn, USDA noted its outlook is for "lower production, domestic use, exports, ending stocks, and higher prices". USDA noted the slow start to the U.S. corn planting (the slowest in 9 years with just 22 percent seeded as of Sunday) is expected to curb the 2022 crop's yield potential. USDA estimate the new crop yield at 11.12 MT/ha (177 bushels per acre), which was down from the February Ag Outlook Forum's forecast. USDA's 2022 yield forecast is 4.3 percent below the 2021 estimate and, when combined with the 4.2 percent acreage decrease, total production is set to decrease 4.3 percent from 2021/22.

On the demand side, USDA expects 2022/23 ethanol use of corn to remain unchanged from 2021/22 based on the agency's expectation of motor gasoline consumption. USDA did, however, reduce expectations of feed and residual corn use due, partly, to smaller livestock herd numbers. Perhaps most interestingly, the agency lowered the 2022/23 corn export forecast by 4 percent to 60.96 MMT (2.4 billion bushels) as "lower supplies and robust domestic demand limit [export] prospects." Despite

lower total exports, the U.S. share of total world exports is up from 2021/22 due as the ongoing conflict in Ukraine will limit that country's exports.

Outside the U.S., USDA left the Brazilian corn crop estimate unchanged at 116 MMT for 2021/22. The move was contrary to the average 113.9 MMT estimate indicated by pre-report surveys. USDA also left the Argentine 2021/22 corn crop unchanged at 53 MMT, versus expectations of a 1-MMT decline. For the 2022/23 marketing year, world corn production was pegged at 1,180 MMT, down 1 percent from 2021/22 due to smaller crops in Ukraine, the U.S., EU, and China. World corn imports were forecast at 176.8 MMT, down 2 percent, while global ending stocks are expected to decline 1 percent due to smaller carry-out in China and the U.S. that is partly offset by gains in Ukraine, Brazil, and Serbia.

The weekly U.S. Export Sales report featured 0.192 MMT of net corn sales and 1.504 MMT of exports. The export figure was down 21 percent from last week's marketing year high but was still above the 4-week moving average. YTD exports total 41.5 MMT, down 8 percent, while YTD bookings (exports plus unshipped sales) are down 14 percent at 58.49 MMT. Last week's sorghum exports were up 28 percent at 0.27 MMT, putting YTD shipments of the commodity at 5.15 MMT (down 10 percent).

From a technical standpoint, July corn futures are still trending higher with trendline support at \$7.73 but the market may be starting to turn sideways. New crop futures are trending higher as well and bear old crop/new crop spreading could keep July futures moving in a sideways range. Funds remain long the market but still have room to add to positions, based on current and historic trends in open interest. Notably, corn futures are approaching the time of year when weather forecasts play an outsized role moving prices and the market typically sees a summer "weather scare" rally. With USDA having already cut U.S. yield prospects due to the slow planting, the futures market is apt to be even more sensitive to worsening Corn Belt weather forecasts.

| Interest Rates and Macroeconomic Markets, May 12, 2022 | | | | | | |
|--|----------|---------------|-----------------|----------------|------------------|----------------|
| | Last* | Weekly Change | Weekly % Change | Monthly Change | Monthly % Change | 1-Year History |
| Interest Rates | | | | | | |
| U.S. Prime | 4.00 | 0.5 | 14.3% | 0.5 | 14.3% | |
| LIBOR (6 Month) | 1.96 | -0.1 | -2.8% | 0.4 | 26.5% | |
| LIBOR (1 Year) | 2.62 | -0.1 | -4.8% | 0.4 | 16.2% | |
| S&P 500 | 3,901.7 | -245.2 | -5.9% | -490.9 | -11.2% | |
| Dow Jones Industrials | 31,520.1 | -1,477.9 | -4.5% | -2,931.1 | -8.5% | |
| U.S. Dollar | 104.8 | 1.1 | 1.0% | 4.5 | 4.5% | |
| WTI Crude | 106.7 | -1.6 | -1.4% | -0.2 | -0.2% | |
| Brent Crude | 108.0 | -2.9 | -2.6% | -3.7 | -3.3% | |

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 3:35 PM ET

CBOT July Corn Futures



Source: DTN ProphetX

Current Market Values:

| Futures Price Performance: Week Ending May 12, 2022 | | | |
|--|---------------|--------------|-------------------|
| Commodity | 12-May | 6-May | Net Change |
| Corn | | | |
| May 22 | 813.50 | 792.25 | 21.25 |
| Jul 22 | 791.50 | 784.75 | 6.75 |
| Sep 22 | 763.75 | 742.00 | 21.75 |
| Dec 22 | 753.00 | 720.75 | 32.25 |
| Soybeans | | | |
| May 22 | 1660.25 | 1655.50 | 4.75 |
| Jul 22 | 1613.75 | 1622.00 | -8.25 |
| Aug 22 | 1569.25 | 1571.00 | -1.75 |
| Sep 22 | 1510.25 | 1504.25 | 6.00 |
| Soymeal | | | |
| May 22 | 399.40 | 423.40 | -24.00 |
| Jul 22 | 396.00 | 413.60 | -17.60 |
| Aug 22 | 392.70 | 407.20 | -14.50 |
| Sep 22 | 390.00 | 401.00 | -11.00 |
| Soyoil | | | |
| May 22 | 88.52 | 88.40 | 0.12 |
| Jul 22 | 82.52 | 80.90 | 1.62 |
| Aug 22 | 78.97 | 77.90 | 1.07 |
| Sep 22 | 77.23 | 76.10 | 1.13 |
| SRW | | | |
| May 22 | 1174.50 | 1097.00 | 77.50 |
| Jul 22 | 1178.75 | 1108.50 | 70.25 |
| Sep 22 | 1181.75 | 1109.75 | 72.00 |
| Dec 22 | 1186.50 | 1112.25 | 74.25 |
| HRW | | | |
| May 22 | 1254.00 | 1159.25 | 94.75 |
| Jul 22 | 1270.00 | 1170.50 | 99.50 |
| Sep 22 | 1271.50 | 1173.75 | 97.75 |
| Dec 22 | 1273.50 | 1177.75 | 95.75 |
| MGEX (HRS) | | | |
| May 22 | 1279.75 | 1204.50 | 75.25 |
| Jul 22 | 1316.00 | 1208.75 | 107.25 |
| Sep 22 | 1311.75 | 1206.25 | 105.50 |
| Dec 22 | 1305.00 | 1203.00 | 102.00 |

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

U.S. Weather/Crop Progress

| U.S. Crop Planting Progress | | | | |
|-----------------------------|-------------|-----------|-----------|-------------|
| Commodity | May 8, 2022 | Last Week | Last Year | 5-year avg. |
| Corn | 22% | 14% | 64% | 50% |
| Sorghum | 22% | 20% | 22% | 26% |
| Barley | 48% | 36% | 68% | 55% |

Source: USDA NASS, World Perspectives, Inc.

U.S. Drought Monitor Weather Forecast: The NWS WPC 7-Day Quantitative Precipitation Forecast (QPF) calls for moderate-to-heavy liquid (liquid = rain + SWE) precipitation accumulations ranging from 2 to 5+ inches across western portions of Oregon and Washington while lighter accumulations (< 1 inch) are forecasted for areas of the Northern Rockies. The remainder of the West is expected to be dry during the next 7-day period. In northern portions of the High Plains, light to moderate accumulations (generally < 3 inches) are expected while light accumulations (< 1 inch) are forecasted for areas of the Midwest, South, Mid-Atlantic, and the Northeast.

The CPC 6-10-day Outlooks calls for a moderate-to-high probability of above-normal temperatures across the lower two-thirds of the conterminous U.S., while below-normal temperatures are expected across the Pacific Northwest and the Upper Midwest. In terms of precipitation, below-normal precipitation is expected across Northern California, much of the Intermountain West and Southwest, South, and the Upper Great Lakes region. Conversely, above-normal precipitation is forecasted for portions of the Pacific Northwest and the northern Plains.

Follow this link to view current U.S. and international weather patterns and future outlook: [Weather and Crop Bulletin](#).

U.S. Export Statistics

| U.S. Export Sales and Exports: Week Ending May 5, 2022 | | | | | |
|--|------------------|--------------|----------------------|-----------------------|-----------------------|
| Commodity | Gross Sales (MT) | Exports (MT) | YTD Exports (000 MT) | YTD Bookings (000 MT) | % Change YTD Bookings |
| Wheat | 94,700 | 240,300 | 17,513.8 | 19,429.8 | -24% |
| Corn | 394,600 | 1,504,300 | 41,541.1 | 58,490.7 | -14% |
| Sorghum | 28,100 | 270,800 | 5,151.6 | 6,832.8 | -5% |
| Barley | 0 | 0 | 14.8 | 20.5 | -28% |

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 192,700 MT for 2021/2022--a marketing-year low--were down 75 percent from the previous week and 80 percent from the prior 4-week average. Increases primarily for Japan (132,600 MT, including 23,300 MT switched from unknown destinations and decreases of 900 MT), South Korea (131,700 MT, including 133,000 MT switched from unknown destinations and decreases of 2,900 MT), Spain (73,700 MT, including 68,000 MT switched from unknown destinations), Colombia (57,100 MT, including 50,000 MT switched from unknown destinations and decreases of 57,700 MT), and Canada (41,400 MT, including decreases of 300 MT), were offset by reductions primarily for unknown destinations (304,000 MT). Net sales of 46,600 MT for 2022/2023 were reported for Mexico (22,400 MT), unknown destinations (22,000 MT), and Canada (2,200 MT).

Exports of 1,504,300 MT were down 21 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to Mexico (349,000 MT), Japan (320,600 MT), China (260,200 MT), South Korea (131,300 MT), and Colombia (125,600 MT).

Optional Origin Sales: For 2021/2022, the current outstanding balance of 378,300 MT is for unknown destinations (240,000 MT), South Korea (65,000 MT), Italy (34,300 MT), Morocco (30,000 MT), and Saudi Arabia (9,000 MT). For 2022/2023, the current outstanding balance of 35,400 MT is for Italy.

Barley: No net sales or exports were reported for the week.

Sorghum: Net sales of 27,800 MT for 2021/2022 were down 69 percent from the previous week, but up noticeably from the prior 4-week average. Increases reported for China (80,800 MT, including 68,000 MT switched from unknown destinations and decreases of 400 MT) and Mexico (15,000 MT), were offset by reductions for unknown destinations (68,000 MT). Exports of 270,800 MT were up 28 percent from the previous week and 35 percent from the prior 4-week average. The destination was to China.

U.S. Export Inspections: Week Ending May 5, 2022

| Commodity (MT) | Export Inspections | | Current Market YTD | Previous YTD | YTD as Percent of Previous |
|----------------|--------------------|---------------|--------------------|--------------|----------------------------|
| | Current Week | Previous Week | | | |
| Barley | 0 | 73 | 10,156 | 33,143 | 31% |
| Corn | 1,392,685 | 1,696,181 | 37,981,881 | 45,336,518 | 84% |
| Sorghum | 270,492 | 217,881 | 5,577,413 | 5,745,478 | 97% |
| Soybeans | 503,414 | 604,711 | 47,713,343 | 55,930,085 | 85% |
| Wheat | 236,847 | 392,443 | 19,000,508 | 23,752,698 | 80% |

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 May 5, 2022

| Region | YC | % of Total | WC | % of Total | Sorghum | % of Total |
|--------------------------------------|------------------|-------------|------------------|--------------------------|------------------|-----------------------|
| Lakes | 0 | 0% | 0 | 0% | 0 | 0% |
| Atlantic | 10,142 | 1% | 0 | 0% | 0 | 0% |
| Gulf | 708,701 | 53% | 39,608 | 75% | 126,070 | 47% |
| PNW | 443,387 | 33% | 0 | 0% | 135,704 | 50% |
| Interior Export Rail | 176,977 | 13% | 13,471 | 25% | 8,718 | 3% |
| Total (Metric Tons) | 1,339,207 | 100% | 53,079 | 100% | 270,492 | 100% |
| White Corn Shipments by Country (MT) | | | 39,608 13,471 | to Honduras to Mexico | | |
| Total White Corn | | | 53,079 | | | |
| Sorghum Shipments by Country (MT) | | | | | 268,217 2,275 | to China to Mexico |
| Total Sorghum | | | | | 270,492 | |

Source: USDA, World Perspectives, Inc.

| Yellow Corn (USD/MT FOB Vessel*) | | | | |
|--|----------------|-------------------|----------------|-------------------|
| YC FOB Vessel Max. 15.0% Moisture | GULF | | PNW | |
| | Basis | Flat Price | Basis | Flat Price |
| | (#2 YC) | (#2 YC) | (#2 YC) | (#2 YC) |
| June | 1.04+N | \$352.54 | 1.68+N | \$377.73 |
| July | 1.03+N | \$352.31 | 1.58+N | \$373.80 |
| August | 1.37+U | \$354.74 | 1.96+U | \$377.83 |
| September | 1.56+U | \$361.89 | 2.03+U | \$380.57 |
| October | 1.54+Z | \$357.00 | 2.23+Z | \$384.41 |
| November | 1.54+Z | \$357.20 | 2.36+Z | \$389.35 |

| Sorghum (USD/MT FOB Vessel*) | | | | |
|--|--------------|-------------------|--------------|-------------------|
| #2 YGS FOB Vessel Max 14.0% Moisture | NOLA | | TEXAS | |
| | Basis | Flat Price | Basis | Flat Price |
| | | | | |
| June | N/A | N/A | 2.00+N | \$390.33 |
| July | N/A | N/A | 2.00+N | \$390.33 |
| August | N/A | N/A | 2.35+U | \$393.19 |

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

| Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*) | | | |
|---|-------------|-------------|---------------|
| | June | July | August |
| New Orleans | \$340 | \$335 | \$335 |
| <i>Quantity 5,000 MT</i> | | | |

| Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*) | | | |
|--|-------------|-------------|---------------|
| Bulk 60% Pro. | June | July | August |
| New Orleans | \$840 | \$835 | \$835 |
| <i>*5-10,000 MT Minimum</i> | | | |

**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.*

DDGS Price Table: May 12, 2022 (USD/MT)
 (Quantity, availability, payment, and delivery terms vary)

| Delivery Point Quality Min. 35% Pro-fat combined | June | July | August |
|---|-------------|-------------|---------------|
| Barge CIF New Orleans | 324 | 323 | 322 |
| FOB Vessel GULF | 335 | 331 | 330 |
| Rail delivered PNW | 397 | 394 | 393 |
| Rail delivered California | 398 | 395 | 394 |
| Mid-Bridge Laredo, TX | 388 | 387 | 385 |
| FOB Lethbridge, Alberta | 370 | 366 | 366 |
| 40 ft. Containers to South Korea (Busan) | 380 | 380 | 380 |
| 40 ft. Containers to Taiwan (Kaohsiung) | 387 | 387 | 387 |
| 40 ft. Containers to Philippines (Manila) | 430 | 430 | 430 |
| 40 ft. Containers to Indonesia (Jakarta) | 405 | 405 | 405 |
| 40 ft. Containers to Malaysia (Port Kelang) | 410 | 410 | 410 |
| 40 ft. Containers to Vietnam (HCMC) | 402 | 402 | 402 |
| 40 ft. Containers to Japan (Yokohama) | 405 | 405 | 405 |
| 40 ft. containers to Thailand (LCMB) | 408 | 408 | 408 |
| 40 ft. Containers to China (Shanghai) | | | |
| 40 ft. Containers to Bangladesh (Chittagong) | 525 | 525 | 525 |
| 40 ft. Containers to Myanmar (Yangon) | 458 | 458 | 458 |
| KC Rail Yard (delivered ramp) | 304 | 302 | 302 |
| Elwood, IL Rail Yard (delivered ramp) | 301 | 300 | 299 |

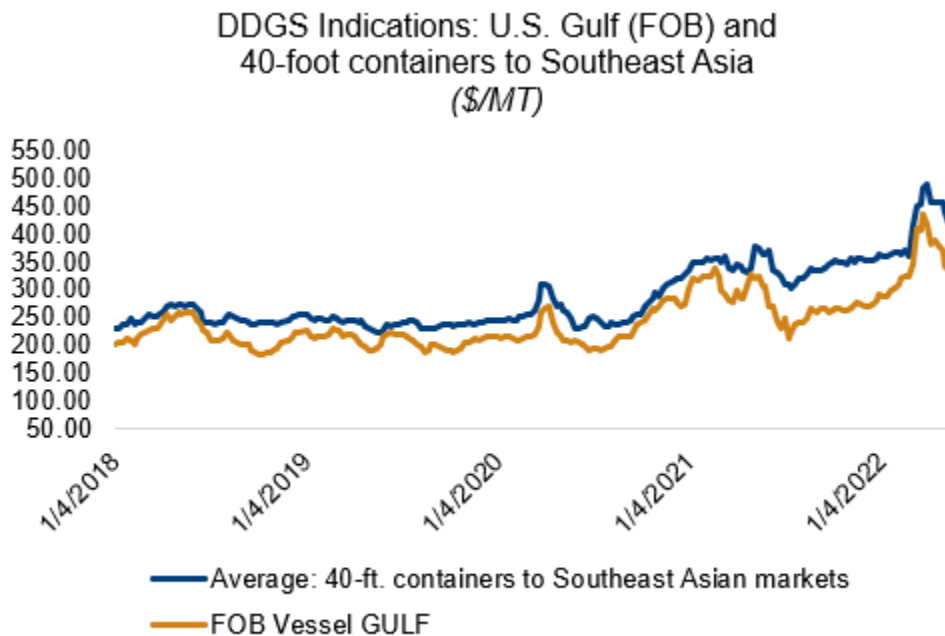
*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: DDGS prices are continuing last week's trend and are down \$9.25/MT FOB ethanol plant through Thursday's market close. Quiet end-user demand following the aggressive purchase pace earlier this year, combined with weaker soymeal values, has pressured the market. Additionally, supplies are increasing as plants exit the seasonal spring maintenance shutdown season.

The DDGS/Kansas City soymeal ratio at 0.67, up from last week's 0.61 and above the three-year average of 0.48. The DDGS/cash corn ratio is at 1.05 this week, up from 0.97 last week and below the three-year average of 1.06.

On the export market, brokers and exporters report that Barge CIF NOLA values are down \$15/MT for June through August shipments in a continuation of last week's weaker trend. FOB Gulf offers are down \$9-10/MT as that market is finding better support and steady buyer inquiries. Container offers are down \$20/MT this week as lower domestic prices offset slight gains in ocean freight. The average offer for 40-foot containers to Southeast Asia is \$422/MT for June-August shipment.



Source: World Perspectives, Inc.

Country News

Brazil: CONAB raised the 2021/22 corn crop estimate by 0.5 percent to 116.195 MMT with the current winter crop pegged at 87.097 MMT. However, others peg the crop at 118.7 MMT. At this juncture, 76 percent of the first corn crop has been harvested and the corn export estimate for 2021/22 was raised by 2.7 percent to 38 MMT. Spot prices have begun to ease as a bumper winter corn crop is expected but concerns about the impact of dryness remain. (Reuters; AgriCensus; S&P Global)

Canada: Higher feed demand in western Canada pushed corn imports 264 percent higher to 3.3 MMT. This in turn pushed stocks of corn higher by 13.9 percent, year over year, to 9.3 MMT as of March 31. On-farm stocks decreased 1.8 percent while commercial stocks rose 43.9 percent. Meanwhile, this year's corn crop may be shrinking as a waterlogged spring may cause some farmers to switch to growing wheat. (Bloomberg; StatsCanada)

China: The Ministry of Agriculture and Rural Affairs says China's corn planted area in 2022/23 will be 42.52 million hectares, a 1.8 percent reduction from the previous year, but better yields will result in a slightly larger crop at 272.56 MMT. The Chinese Agricultural Supply and Demand Estimates (CASDE) indicates corn imports in 2022/23 will be 18 MMT, versus 20 MMT a year earlier. (Reuters)

EU: Barley exports have slowed, and French farmers will slash the amount of corn they plant due to high fertilizer prices. Farmers will plant 1.46 million hectares of corn, a 6 percent reduction from last year. (The Edge Markets)

South Korea: KFA booked 130 KMT of corn in an ongoing buying spree. MFG tendered for 130 KMT of corn to arrive in July and together with FLC paid \$384.45/MT for corn to arrive in August. (AgriCensus)

Tunisia: Government agency ODC booked 75 KMT of barley for June-July delivery. (AgriCensus)

Ukraine: The sowing of spring crops has reached 60 percent completion. (AgriCensus)

Ocean Freight Markets and Spreads

| Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* | | | |
|---|-----------------------|-----------------------------|--|
| May 12, 2022 | | | |
| Route and Vessel Size | Current Week (USD/MT) | Change from Previous Report | Remarks |
| 55,000 U.S. Gulf-Japan | \$82.00 | Up \$2.50 | Handymax \$82.00 MT |
| 55,000 U.S. PNW- Japan | \$46.50 | Up \$2.00 | Handymax at \$45.00 MT |
| 66,000 U.S. Gulf – China | \$81.00 | Up \$2.50 | North or South China |
| PNW to China | \$46.00 | Up \$2.00 | |
| 25,000 U.S. Gulf - Veracruz, México | \$30.75 | Up \$1.50 | 3,000 MT daily discharge rate |
| 30-36,000+ U.S. Gulf - Veracruz, México | \$27.00 | Up \$1.50 | Deep draft and 6,000 MT per day discharge rate. |
| 30-38,000 U.S. Gulf - Colombia | \$45.50 | Up \$2.00 | West Coast Colombia at \$54.00 |
| <u>50,000 MT U.S. Gulf to East Coast Colombia</u> | \$45.00 | | |
| From Argentina | \$57.00 | | |
| 43-45,000 U.S. Gulf - Guatemala | \$54.00 | Up \$1.50 | Acajutla/Quetzal - 8,000 out |
| 26-30,000 U.S. Gulf – Algeria | Unquoted | | |
| 26-30,000 US Gulf - Morocco | \$74.00 | Up \$2.00 | 5,000 discharge rate |
| 55-60,000 U.S. Gulf –Egypt | \$73.50 | Up \$2.25 | 55,000-60,000 MT Egypt Romania - Russia- Ukraine \$33.00 -?? - ? France \$45.00 |
| PNW to Egypt | \$74.00 | | |
| 60-70,000 U.S. Gulf – Europe, Rotterdam | \$35.50 | Up \$3.00 | Handymax at +\$2.50 more |
| Brazil, Santos – China | \$72.50 | Up \$2.00 | 54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 MT |
| Brazil, Santos – China | \$70.00 | | |
| Northern Coast Brazil - China | \$78.50 | | |
| 56-60,000 Argentina/Rosario-China, Deep Draft | \$77.50 | Up \$0.50 | Upriver with Top Off Plus \$3.85-4.75 |

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: Even with Chinese bulk imports down by 9 percent YTD, this week's uptick in Chinese iron ore demand caused excitement in global Capesize markets and they rallied higher. The rally prompted other vessel markets to decide to go along for the ride. Overall, global cargo demand for dry-bulk commodities does not look robust going forward. Traders have reason for hope that rates can climb higher in 2022, however, as Chinese port congestion and poor logistics are creating slow turn times. The small 2022-2023 new vessel order book for dry-bulk ships provides additional support for such thinking.

Container markets are, of course, dealing with the same Chinese port congestion issues and difficult logistics. When Chinese ports fully reopen from lock down requirements, a big wave of imports will hit U.S and E.U. container ports.

| Baltic-Panamax Dry-Bulk Indices | | | | |
|---------------------------------|-----------|-----------|------------|----------------|
| May 12, 2022 | This Week | Last Week | Difference | Percent Change |
| Route | | | | |
| P2A: Gulf/Atlantic – Japan | 40,550 | 38,659 | 1,891 | 4.9 |
| P3A: PNW/Pacific– Japan | 27,288 | 23,610 | 3,678 | 15.6 |
| S1C: U.S. Gulf-China-S. Japan | 42,050 | 41,457 | 593 | 1.4 |

Source: O'Neil Commodity Consulting

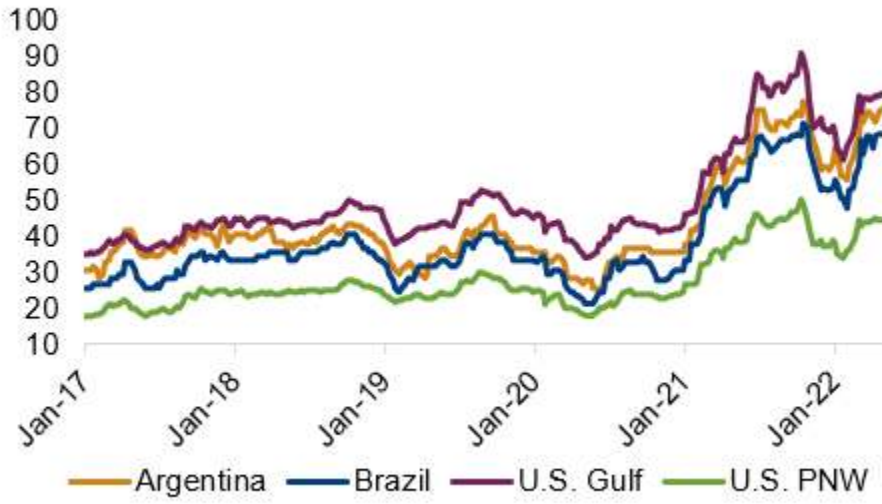
| Capesize Vessel Freight Values | |
|---|---------------|
| Western Australia to South China (iron ore) | |
| Four weeks ago: | \$8.80-9.50 |
| Three weeks ago: | \$8.75-9.50 |
| Two weeks ago: | \$9.75-12.25 |
| One week ago: | \$12.00-12.25 |
| This week | \$12.25-15.00 |

Source: O'Neil Commodity Consulting

| U.S.-Asia Market Spreads | | | | | |
|--------------------------|---------|---------|---------------|----------------|-----------|
| May 12, 2022 | PNW | Gulf | Bushel Spread | MT Spread | Advantage |
| #2 Corn | 1.85 | 1.14 | 0.71 | \$27.95 | PNW |
| Soybeans | 2.20 | 1.38 | 0.82 | \$30.13 | PNW |
| Ocean Freight | \$44.00 | \$78.50 | 0.88-0.94 | \$34.50 | June |

Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates to Japan from Select Origins



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

Bulk Grain Freight Rates for Key Suppliers and Destinations
May 12, 2022

| Origin | Destination | This Week | Monthly Change | Monthly % Change | Yearly Change | Yearly % Change | 2-Year History |
|---------------------------------|--------------|-----------|----------------|------------------|---------------|-----------------|----------------|
| <i>Panamax/Supramax Vessels</i> | | | | | | | |
| U.S. Gulf | | 82.00 | 3.50 | 4.5% | 15.00 | 22.4% | |
| U.S. PNW | Japan | 46.50 | 2.25 | 5.1% | 7.00 | 17.7% | |
| Argentina | | 75.50 | 3.00 | 4.1% | 15.00 | 24.8% | |
| Brazil | | 68.50 | 4.00 | 6.2% | 14.00 | 25.7% | |
| U.S. Gulf | | 81.00 | 3.50 | 4.5% | 15.00 | 22.7% | |
| U.S. PNW | China | 46.00 | 2.50 | 5.7% | 7.25 | 18.7% | |
| Argentina | | 77.50 | 2.00 | 2.6% | 15.50 | 25.0% | |
| Brazil | | 78.50 | 2.00 | 2.6% | 21.50 | 37.7% | |
| U.S. Gulf | | 33.00 | 4.00 | 13.8% | 7.00 | 26.9% | |
| Argentina | Europe | 61.50 | 4.00 | 7.0% | 37.00 | 151.0% | |
| Brazil | | 64.50 | 4.00 | 6.6% | 36.00 | 126.3% | |
| Argentina | Saudi Arabia | 91.50 | 4.00 | 4.6% | 39.00 | 74.3% | |
| Brazil | | 91.50 | 4.00 | 4.6% | 40.00 | 77.7% | |
| U.S. Gulf | | 73.50 | 3.00 | 4.3% | 21.00 | 40.0% | |
| U.S. PNW | Egypt | 72.30 | 2.50 | 3.6% | 21.30 | 41.8% | |
| Argentina | | 70.50 | 4.00 | 6.0% | 36.00 | 104.3% | |
| Brazil | | 77.50 | 4.00 | 5.4% | 38.00 | 96.2% | |
| <i>Handysize Vessels</i> | | | | | | | |
| U.S. Gulf | | 74.00 | 3.00 | 4.2% | 23.50 | 46.5% | |
| U.S. Great Lakes | Morocco | 69.30 | 1.00 | 1.5% | 14.30 | 26.0% | |
| Argentina | | 63.50 | 4.00 | 6.7% | 35.00 | 122.8% | |
| Brazil | | 66.50 | 4.00 | 6.4% | 31.00 | 87.3% | |
| U.S. Great Lakes | Europe | 65.80 | 0.50 | 0.8% | 11.80 | 21.9% | |
| Brazil | | 39.60 | 0.50 | 1.3% | 8.50 | 27.3% | |
| Argentina | Algeria | 65.50 | 3.00 | 4.8% | 34.00 | 107.9% | |
| Brazil | | 67.50 | 3.00 | 4.7% | 35.00 | 107.7% | |
| U.S. Gulf | | 45.50 | 2.00 | 4.6% | 8.50 | 23.0% | |
| U.S. PNW | Colombia | 50.00 | 0.00 | 0.0% | 6.00 | 13.6% | |
| Argentina | | 57.00 | 3.00 | 5.6% | 6.50 | 12.9% | |
| <i>Shipping Indexes</i> | | | | | | | |
| Baltic Dry Index | | 2831 | 800 | 39.4% | -409 | -12.6% | |

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.