



Market Perspectives

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January 26, 2023

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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: CME Corn March Contract					
Cents/Bu	Friday January 20	Monday January 23	Tuesday January 24	Wednesday January 25	Thursday January 26
Change	-1.00	-10.00	10.75	-2.25	7.75
Closing Price	676.25	666.25	677.00	674.75	682.50
Factors Affecting the Market	Corn edged lower for the 3rd straight day with rains in the forecast for Argentina pressuring values. The Argentine crop is rated just 5% good/excel., however, raising questions as to how much benefit these rains can bring. Other news was light and the market remains focused on the Argentine crop and U.S. exports. Outside markets were stronger to end the week with stocks rising and crude oil up \$1.03/brl.	March corn fell sharply to start the week after the weekend saw heavy rains across Argentina's major crop-growing regions. The rain triggered fund selling and liquidation that took March futures to the 50-day MA. USDA said 28.6 Mbu of corn was inspected for export last week, which was below the target volume. Outside markets were mixed with the USD up 12 bps and stocks adding to Friday's gains.	Corn stabilized in early trade and took back all Monday's losses after USDA reported fresh "flash" export sales of 130 KMT to unknown destinations. Weather forecasts for Argentina and Brazil remain favorable with rains this week and early next. Long-term forecasts, however, show a dry pattern returning in Feb. Outside markets were lower with crude oil falling \$1.49/cwt and stocks ending mixed.	Corn futures pushed higher but found selling pressure near \$6.80 and fell back to the 100-day MA. Ethanol production rose slightly last week while ethanol stocks jumped 7.2 percent and are now 2 percent larger than 2022 volumes. Argentina's rains continue and reports indicate volumes are exceeding forecasts. Forecasts for U.S. 2023 corn acres average 90.5 mill. acres. Outside markets were mixed and mostly sideways.	Corn futures surged higher on Thursday with commercial buying and bull spreading driving the day's rally. Export sales were decent but below last week's volume at 38.5 Mbu. Argentina's drought remains a major focus for the market with reports of very poor conditions as pollination nears. China has been on holiday this week but could return as a corn buyer next week. Outside markets were stronger; stocks rose and crude oil gained \$1.07/brl.

Outlook: March corn futures are up 6 ¼ cents (0.9 percent) this week as changes in the Argentine weather forecast have heightened market volatility. Early this week, corn futures fell sharply after Argentina received heavy rains over the weekend that were rumored to aid crop conditions. While the country has continued to receive precipitation this week, the long-term forecast turns dry after the start of February. That allowed corn futures to rally again with buying strength also stemming from reports of dire conditions as pollination approaches. The Buenos Aires Grain Exchange said 12 percent of the country's corn crop is now rated good/excellent, up from the paltry 5 percent reported last week. Still, there are questions as to just how much yields can recover after a disastrous start to the crop year.

U.S. exports remain a major focus for the futures market and signs of increase demand are starting to show. This week, USDA reported daily "flash" export sales of 130 KMT and 100 KMT of corn to unknown destinations for the 2022/23 marketing year. The sales boosted confidence in the U.S.' export competitiveness and helped futures post their late-week gains. The weekly Export Sales report featured a pullback in net sales, which totaled 0.91 MMT, while weekly exports surged 28 percent to 0.912 MMT.

YTD export bookings (exports plus unshipped sales) are down 45 percent YTD at 24.038 MMT and are closely following the 2019/20 export pattern.

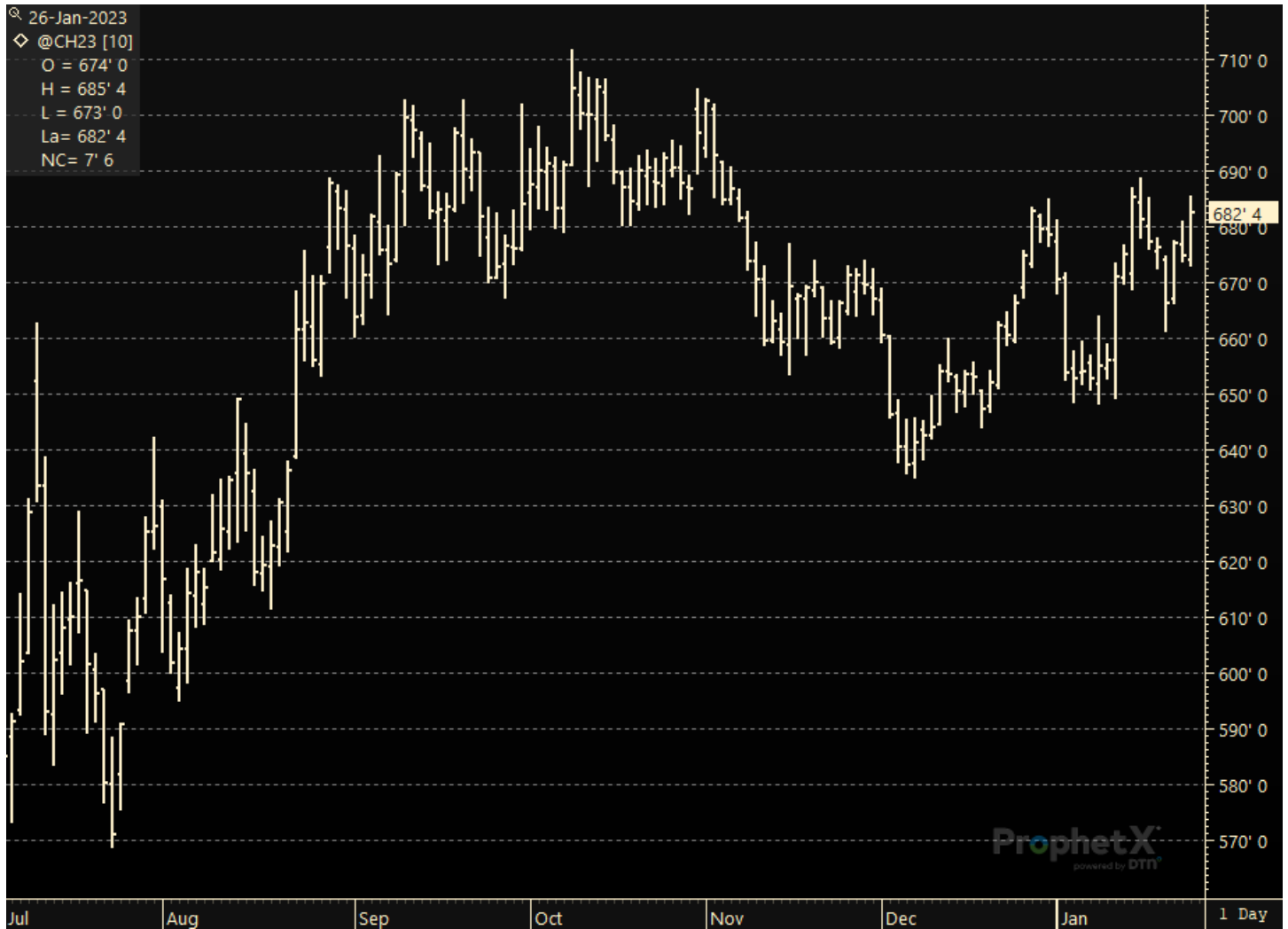
Looking forward to the 2023 U.S. planting effort, the first forecasts of America's corn acreage are starting to be released. The average prediction, so far, suggests that 90.5 million acres will be planted this year, which would be up 2 percent from 2022. Some estimates are as low as 89.9 million acres while predictions on the high end are near 92 million acres. USDA will issue its first 2023 planting acreage forecast in the February Agricultural Outlook Forum.

Interest Rates and Macroeconomic Markets, January 26, 2023						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	7.50	0.0	0.0%	0.0	0.0%	
LIBOR (6 Month)	5.11	0.0	0.0%	0.0	-0.8%	
LIBOR (1 Year)	5.34	0.0	-0.5%	-0.1	-2.4%	
S&P 500	4,060.4	161.6	4.1%	211.2	5.5%	
Dow Jones Industrials	33,949.4	904.9	2.7%	728.6	2.2%	
U.S. Dollar	101.8	-0.2	-0.2%	-2.0	-2.0%	
WTI Crude	81.1	0.5	0.6%	2.7	3.5%	
Brent Crude	87.4	1.2	1.4%	3.9	4.7%	

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 4:16 PM ET

CBOT March Corn Futures



Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week Ending January 26, 2022			
Commodity	26-Jan	20-Jan	Net Change
Corn			
Mar 23	682.50	676.25	6.25
May 23	680.00	674.50	5.50
Jul 23	668.00	663.50	4.50
Sep 23	607.00	610.50	-3.50
Soybeans			
Mar 23	1523.50	1506.50	17.00
May 23	1514.75	1501.75	13.00
Jul 23	1504.50	1493.00	11.50
Aug 23	1462.25	1453.50	8.75
Soymeal			
Mar 23	477.10	463.70	13.40
May 23	462.00	451.00	11.00
Jul 23	452.00	442.50	9.50
Aug 23	435.10	428.80	6.30
Soyoil			
Mar 23	60.79	61.97	-1.18
May 23	60.95	61.98	-1.03
Jul 23	60.83	61.70	-0.87
Aug 23	60.43	61.20	-0.77
SRW			
Mar 23	752.50	741.50	11.00
May 23	760.50	749.00	11.50
Jul 23	762.50	751.50	11.00
Sep 23	769.25	760.00	9.25
HRW			
Mar 23	864.75	848.00	16.75
May 23	857.50	841.25	16.25
Jul 23	848.75	835.50	13.25
Sep 23	848.25	838.00	10.25
MGEX (HRS)			
Mar 23	918.00	912.75	5.25
May 23	911.00	905.25	5.75
Jul 23	904.00	899.00	5.00
Sep 23	880.75	878.25	2.50

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

U.S. Weather/Crop Progress

U.S. Drought Monitor Weather Forecast: The National Weather Service Weather Prediction Center has forecasted a winter storm (valid January 25 – January 26) that will track through the eastern Great Lakes overnight. Bands of heavy snow are expected over northern New York and New England. A second area of low pressure will develop over Southern New England and move into the Gulf of Maine by early Thursday where over 10" of snow is forecasted for interior locations. Moving into next week (valid January 28 – February 1), the forecast calls persistently cold temperatures from the northern/central Rockies into the Upper Midwest, while the West will trend colder. the Southeast on the warmer side of normal, especially after the weekend.

At 8 – 14 days, the Climate Prediction Center Outlook (valid February 2 – February 8) calls for below-normal temperatures over most of the country except for the Southeast and Alaska. Parts of the Northeast, southern Southwest and central Alaska can expect near-normal temperatures, while parts of the Southeast and western Alaska have the greatest probability of warmer-than-normal temperatures. Most of the U.S. can expect near- to slightly above-normal precipitation with the probability of near-normal precipitation occurring from the northern Plains to the Northeast and from southern California to the southern Plains, including western and southeast Alaska. Southern parts of the Southwest and Alaska have increased odds for below-normal precipitation.

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 January 19, 2023					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	505,400	264,200	11,428.8	16,034.2	-7%
Corn	1,100,200	912,600	12,012.3	24,038.7	-45%
Sorghum	70,800	71,500	292.6	620.7	-90%
Barley	0	400	7.2	11.6	-62%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 910,400 MT for 2022/2023 were down 20 percent from the previous week, but up 46 percent from the prior 4-week average. Increases primarily for Mexico (407,000 MT, including decreases of 800 MT), Colombia (209,700 MT, including decreases of 8,000 MT), unknown destinations (84,300 MT), China (71,800 MT, including 68,000 MT switched from unknown destinations), and Canada (35,400 MT, including decreases of 200 MT), were offset by reductions primarily for Honduras (31,300 MT) and Nicaragua (5,000 MT). Total net sales of 15,500 MT for 2023/2024 were for Japan. Exports of 912,600 MT were up 28 percent from the previous week and 27 percent from the prior 4-week average. The destinations were primarily to Mexico (393,800 MT), Japan (116,600 MT), Guatemala (108,300 MT), Saudi Arabia (73,100 MT), and China (71,500 MT).

Barley: No net sales were reported for the week. Exports of 400 MT were to Japan.

Sorghum: Total net sales of 70,800 MT for 2022/2023 were down 63 percent from the previous week, but up 50 percent from the prior 4-week average. The destination was China. Exports of 71,500 MT were up noticeably from the previous week and from the prior 4-week average. The destinations were to China (70,800 MT) and Mexico (700 MT).

U.S. Export Inspections: Week Ending January 19, 2022					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	299	0	2,154	10,010	-78%
Corn	727,643	779,788	11,509,781	16,514,529	-30%
Sorghum	72,574	2,708	493,628	2,149,910	-77%
Soybeans	1,805,744	2,190,371	34,100,498	35,031,997	-3%
Wheat	334,217	325,643	12,761,882	13,239,200	-4%

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 January 19, 2022

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	489,747	70%	27,830	100%	70,754	97%
PNW	71,250	10%	0	0%	0	0%
Interior Export Rail	138,816	20%	0	0%	1,820	3%
Total (Metric Tons)	699,813	100%	27,830	100%	72,574	100%
White Corn Shipments by Country (MT)			27,830	to Colombia		
Total White Corn			27,830			
Sorghum Shipments by Country (MT)					70,754 1,820	to China to Mexico
Total Sorghum					72,574	

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)
March	0.96+H	\$306.53	1.50+H	\$327.74
April	0.96+K	\$305.35	1.50+K	\$326.75
May	0.92+K	\$303.92	1.48+K	\$325.97
June	0.94+N	\$299.79	1.49+N	\$321.64
July	0.95+N	\$300.38	1.49+N	\$321.64
August	0.96+U	\$276.56	1.55+U	\$299.98

Sorghum (USD/MT FOB Vessel*)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
March	N/A	N/A	2.50+H	\$367.11
April	N/A	N/A	2.50+K	\$366.12
May	N/A	N/A	2.50+K	\$366.12

#2 White Corn (U.S. \$/MT FOB Vessel*)				
Max. 15.0% Moisture	March	April	May	
Gulf	N/A	N/A	N/A	

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)				
	March	April	May	
New Orleans	\$300	\$300	\$300	
<i>Quantity 5,000 MT</i>				

Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)				
Bulk 60% Pro.	March	April	May	
New Orleans	\$825	\$825	\$825	
<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: January 26, 2022 (USD/MT)
 (Quantity, availability, payment, and delivery terms vary)

Delivery Point Quality Min. 35% Pro-fat combined	February	March	April
Barge CIF New Orleans	333	332	334
FOB Vessel GULF	337	336	337
Rail delivered PNW	378	378	378
Rail delivered California	386	385	383
Mid-Bridge Laredo, TX	379	376	376
FOB Lethbridge, Alberta	351	349	348
40 ft. Containers to South Korea (Busan)	380	380	385
40 ft. Containers to Taiwan (Kaohsiung)	420	420	425
40 ft. Containers to Philippines (Manila)	415	415	420
40 ft. Containers to Indonesia (Jakarta)	381	381	386
40 ft. Containers to Malaysia (Port Kelang)	394	394	399
40 ft. Containers to Vietnam (HCMC)	386	386	391
40 ft. Containers to Japan (Yokohama)	N/A	N/A	N/A
40 ft. containers to Thailand (LCMB)	397	397	402
40 ft. Containers to China (Shanghai)	N/A	N/A	N/A
40 ft. Containers to Bangladesh (Chittagong)	N/A	N/A	N/A
40 ft. Containers to Myanmar (Yangon)	380	380	385
KC Rail Yard (delivered ramp)	323	322	324
Elwood, IL Rail Yard (delivered ramp)	314	313	314

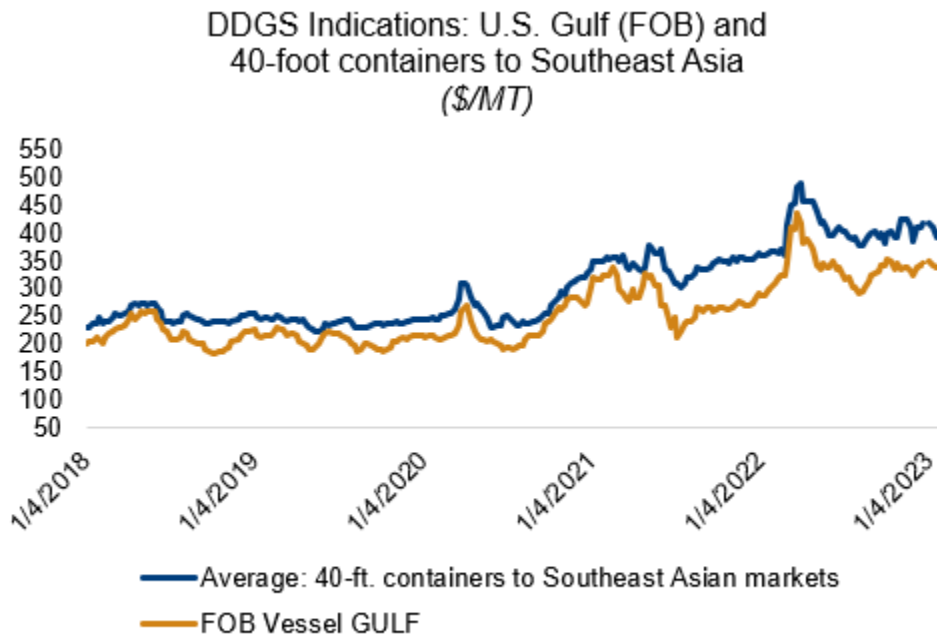
*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: DDGS values are \$2-4/MT lower this week as ethanol run rates remain strong and domestic buyers have largely filled near-term needs. End-users were reportedly waiting for soymeal futures to push lower and help cash values ease as well, but futures remain strong and cash bids are increasing as well.

The DDGS/Kansas City soymeal ratio is at 0.53 this week, up from last week and above the three-year average of 0.50. The DDGS/cash corn ratio edged higher this week to 1.10, up from last week's value of 1.08 and above the three-year average of 1.06.

On the export market, Barge CIF NOLA prices are \$1/MT lower and are averaging \$333/MT for February through April shipment. FOB NOLA offers are down \$1-2/MT this week at \$337-338/MT while U.S. rail rates have contracted \$14. Finally, softer ocean freight markets continue to allow offers for 40-foot containers to Southeast Asia to move lower. The average offer for Q2 shipment is down \$1/MT at \$395 this week.



Source: World Perspectives, Inc.

Country News

Argentina: The Buenos Aires Grain Exchange says recent rains surpassed the forecast but were unevenly distributed. Some are calling the coverage “disappointing.” It reduced its estimate of corn production to 44.5 MMT but raised from 5 percent to 12 percent the share of the crop rated good-to-excellent, and cut the share deemed poor to very poor from 47 percent down to 39 percent. The Rosario Grain Exchange cut its estimate of late planted corn area to 1.1 million hectares. A tour of crops by Indiana farmers found corn that was knee-high or waste-high at best. The government raised the domestic price for bioethanol produced from sugarcane of corn by nearly 5 percent. Farmer sales of both old and new crop corn declined. (Reuters; Brownfield News; AgriCensus)

Brazil: The corn harvest has been delayed but grain exporters’ association Anec raised its projection for the country’s January corn exports. Customs reports 4 MMT of corn exported in three weeks. (Reuters; AgriCensus)

Bulgaria: The corn crop in 2022 was down 24.2 percent from a year earlier. (AgriCensus)

Russia: The government lowered its export tax on barley and corn. (AgriCensus)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
January 26, 2023			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$51.50	Unchanged	Handymax \$52.00 mt
55,000 U.S. PNW- Japan	\$28.25	Unchanged	Handymax at \$28.00 mt
66,000 U.S. Gulf – China	\$51.00	Unchanged	North or South China
PNW to China	\$28.50	Unchanged	
25,000 U.S. Gulf - Veracruz, México	\$22.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$18.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$29.00	Unchanged	West Coast Colombia at \$33.00
<u>50,000 MT U.S. Gulf to East Coast Colombia</u>	\$27.00		
From Argentina	\$36.00		
43-45,000 U.S. Gulf - Guatemala	\$36.50	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 US Gulf - Morocco	\$33.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$31.00	Down \$1.00	55,000-60,000 mt Egypt Romania - Russia- Ukraine \$16.00 -\$23.00 - \$35.00 - France \$24.00, Bulgaria \$17.00
PNW to Egypt	\$32.00		
60-70,000 U.S. Gulf – Europe, Rotterdam	\$26.50	Down \$0.75	Handymax at +\$2.50 more
Brazil, Santos – China	\$39.75	Down \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
Brazil, Santos – China	\$37.50		
Northern Coast Brazil - China	\$43.50		
56-60,000 Argentina/Rosario-China, Deep Draft	\$42.50	Down \$0.50	Uppiver 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: It is the Lunar/Chinese New Year holiday period and all is quiet on the ocean freight front. Markets are thin and a bit soft, "sluggish" is a term commonly heard. The Baltic indices are a little lower with most physical markets unchanged and doing their best to resist selling the lower bids. Spot Panamax daily hire rates are trading at \$8,000/day with February at \$9,700/day. Vessel owners are still waiting and hoping for a robust reopening in China after the holiday.

Baltic-Panamax Dry-Bulk Indices				
January 26, 2023	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	18,068	18,273	-205	-1.1
P3A: PNW/Pacific– Japan	7,660	7,312	348	4.8
S1C: U.S. Gulf-China-S. Japan	13,800	14,550	-750	-5.2

Source: O'Neil Commodity Consulting

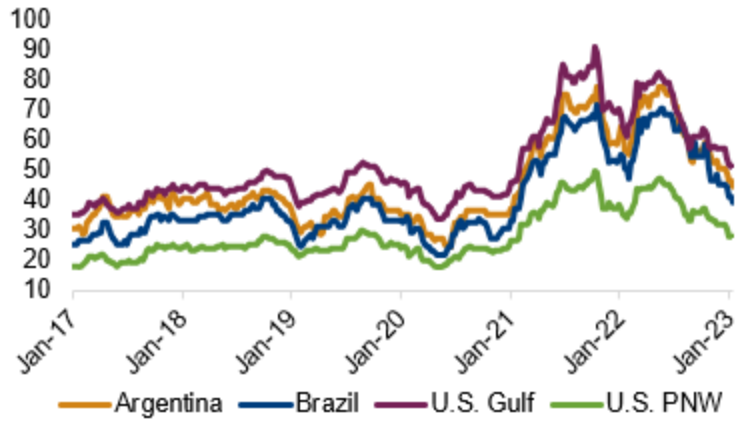
Capesize Vessel Freight Values	
Western Australia to South China (iron ore)	
Four weeks ago:	\$8.11-8.15
Three weeks ago:	\$7.30-8.00
Two weeks ago:	\$7.00-7.30
One week ago:	\$6.80-7.00
This week	\$6.70-6.80

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
January 26, 2023	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.60	0.98	0.62	\$24.41	GULF
Soybeans	2.18	1.18	1.00	\$36.74	GULF
Ocean Freight	\$28.50	\$51.00	0.57-0.61	\$22.50	March

Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates to Japan from Select Origins



Source: World Perspectives, Inc.

Bulk Grain Freight Rates for Key Suppliers and Destinations
January 26, 2023

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		51.50	-5.50	-9.6%	-11.00	-17.6%	
U.S. PNW	Japan	28.25	-3.75	-11.7%	-6.25	-18.1%	
Argentina		44.50	-6.00	-11.9%	-12.00	-21.2%	
Brazil		39.50	-6.00	-13.2%	-11.00	-21.8%	
U.S. Gulf		51.00	-5.25	-9.3%	-10.25	-16.7%	
U.S. PNW	China	28.50	-3.00	-9.5%	-5.00	-14.9%	
Argentina		42.50	-5.50	-11.5%	-14.00	-24.8%	
Brazil		43.50	-5.25	-10.8%	-14.00	-24.3%	
U.S. Gulf		28.00	-1.30	-4.4%	4.00	16.7%	
Argentina	Europe	56.50	4.00	7.6%	16.50	41.3%	
Brazil		57.50	3.00	5.5%	14.50	33.7%	
Argentina	Saudi Arabia	66.50	4.00	6.4%	10.00	17.7%	
Brazil		74.50	3.00	4.2%	10.00	15.5%	
U.S. Gulf		31.00	-16.25	-34.4%	-20.50	-39.8%	
U.S. PNW	Egypt	38.80	-9.40	-19.5%	-3.20	-7.6%	
Argentina		67.50	4.00	6.3%	11.00	19.5%	
Brazil		71.50	4.00	5.9%	8.00	12.6%	
<i>Handysize Vessels</i>							
U.S. Gulf		33.00	-16.25	-33.0%	-19.00	-36.5%	
U.S. Great Lakes	Morocco	90.00	8.20	10.0%	50.50	127.8%	
Argentina		60.50	4.00	7.1%	13.00	27.4%	
Brazil		63.50	4.00	6.7%	10.00	18.7%	
U.S. Great Lakes	Europe	90.00	9.00	11.1%	48.30	115.8%	
Brazil		65.90	4.20	6.8%	17.30	35.6%	
Argentina	Algeria	61.50	4.00	7.0%	11.00	21.8%	
Brazil		64.50	4.00	6.6%	10.00	18.3%	
U.S. Gulf		29.00	-3.00	-9.4%	-4.00	-12.1%	
U.S. PNW	Colombia	50.00	0.00	0.0%	12.20	32.3%	
Argentina		36.00	-3.00	-7.7%	-12.00	-25.0%	
<i>Shipping Indexes</i>							
Baltic Dry Index		740	-1446	-66.1%	-651	-46.8%	

Source: World Perspectives, Inc.

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.

Indications for some routes were corrected on 20 and 27 Oct. 2022.