



# Market Perspectives

**February 23, 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 May Contract					
Cents/Bu	Friday February 17	Monday February 20	Tuesday February 21	Wednesday February 22	Thursday February 23
Change	2.50		3.00	-6.25	-15.00
Closing Price	677.50		680.50	674.25	659.25
<b>Factors Affecting the Market</b>	Corn ticked higher in low volume trade with little fundamental support. Declines in the Argentine crop conditions offered some support, but slow U.S. exports remain a concern. The weather remains too dry in Argentina and too wet in Brazil; if the trends continue for another 7-10 days, the market could see more upside gains. Macro markets were weaker with stocks down sharply.	Markets were closed for the U.S. Presidents' Day holiday.	Corn ticked higher to start the holiday-shortened week with weekend frosts in Argentina providing support. Temperatures were unexpectedly cold over the weekend and frost further damaged some early planted corn. U.S. export inspections rose 11% last week to 24.5 Mbu but are still down 37% YTD. Outside markets weighed on futures with the USD up 31 bps and oil down slightly.	Corn futures posted their first loss in four days heading into the USDA's Ag Outlook Forum on Thurs. Traders are bracing for a bearish report while exports remain slow. A winter storm is brining snow and rain to the Midwest while Argentina remains dry. Brazilian corn prices are starting to firm and could aid U.S. exports. Outside markets weighed on corn with a 40-bps rally in the USD.	Corn futures plunged lower after the USDA issued a bearish outlook for the 2023/24 crop. Corn acres were estimated at 91.0 million, which combined with record-high yields of 181 BPA pushed production to 15.09 Bbu. USDA pegged the coming year's ending stocks 620 Mbu greater than this year's and lowered the farm price forecast to \$5.60/bushel.

**Outlook:** May corn futures are down 18 ¼ cents (2.7 percent) this week with most of those losses coming on Thursday's 15-cent plunge lower. The catalyst for the day's weakness was bearish corn numbers from the USDA in the agency's Agricultural Outlook Forum. Before Thursday's numbers, the market had found support from dry weather and recent frosts in Argentina as well as somewhat unwelcome wet weather in Brazil. With USDA's latest outlook shifting decidedly bearish, however, the market turned lower in heavy volume.

The USDA's outlook forum saw the agency pegged 2023 U.S. corn plantings at 36.827 million hectares (91.0 million acres), which was above the pre-report estimate of 336.665 Mha (90.6 million acres). While the acreage number was slightly above expectations, it was the record-large yield projection of 11.37 MT/ha (181 bushels per acre) and production estimate of 383.31 MMT (15.09 billion bushels) that really pressured markets. The agency's 2023/24 ending stocks forecast came in at 30.151 MMT (1.187 billion bushels), up 15.75 MMT (620 million bushels) from 2022/23.

The weekly Export Sales report is delayed one day due to this week's federal holiday in the U.S. The export inspections report, however, showed an uptick in shipments, which rose 11 percent to total 622

KMT. YTD inspections are down 37 percent at 13.734 MMT. Last week also saw a surge in sorghum inspections, which totaled 71.8 KMT. Shipments to China accounted for 70.7 KMT of the volume.

U.S. cash prices are still historically strong with basis averaging 8K (8 cents over May futures) across the Midwest. This week's basis is steady with last week and remains near 20-year highs in parts of the country. The average basis is well above the -18K recorded this time last year. U.S. Midwest corn prices average \$268.47/MT (\$6.82/bushel) this week.

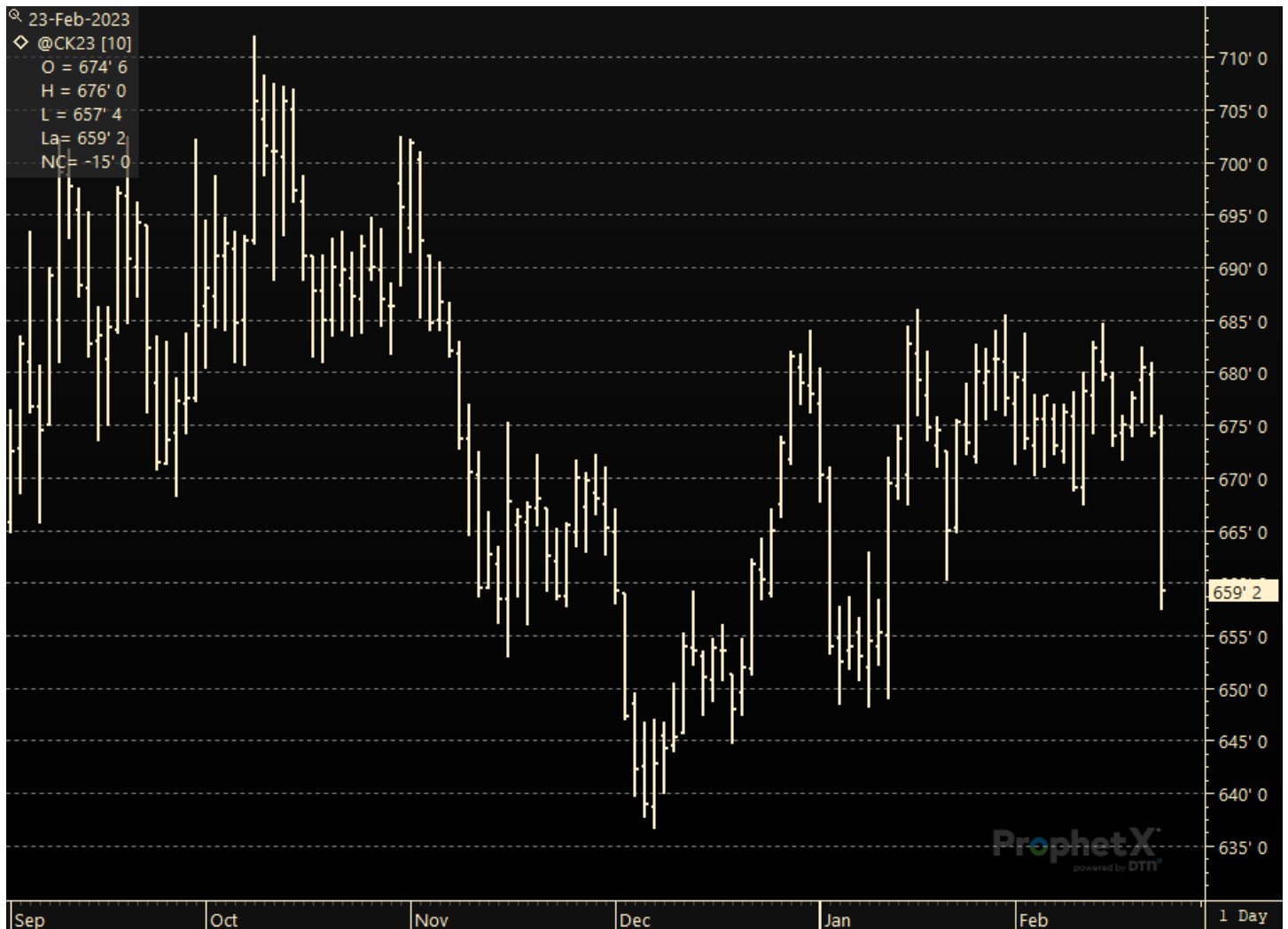
Technically, May corn futures posted a bearish day on the charts Thursday with a break below trendline support at \$6.64. The market also broke through support at the 50-day MA, which previously stalled selloffs earlier in 2023. Now, the market is targeting support near the early January congestion zone lows at \$6.48-6.50 with the 7 December daily low providing support below that.

Interest Rates and Macroeconomic Markets, February 23, 2023						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
<b>Interest Rates</b>						
U.S. Prime	7.75	0.0	0.0%	0.3	3.3%	
LIBOR (6 Month)	5.27	0.1	1.8%	0.2	3.2%	
LIBOR (1 Year)	5.62	0.0	0.6%	0.3	5.2%	
S&P 500	4,013.9	-76.5	-1.9%	-46.5	-1.1%	
Dow Jones Industrials	33,159.8	-537.0	-1.6%	-789.6	-2.3%	
U.S. Dollar	104.6	0.7	0.7%	2.7	2.7%	
WTI Crude	75.5	-3.0	-3.9%	-5.6	-6.9%	
Brent Crude	82.3	-2.8	-3.3%	-5.0	-5.7%	

Source: DTN ProphetX, World Perspectives, Inc.

\* Last price as of 3:49 PM ET

# CBOT May Corn Futures



Source: DTN ProphetX

**Current Market Values:**

<b>Futures Price Performance: Week Ending February 23, 2023</b>			
<b>Commodity</b>	<b>23-Feb</b>	<b>17-Feb</b>	<b>Net Change</b>
<b>Corn</b>			
Mar 23	660.25	677.75	-17.50
May 23	659.25	677.50	-18.25
Jul 23	650.75	666.00	-15.25
Sep 23	600.00	610.75	-10.75
<b>Soybeans</b>			
Mar 23	1534.25	1527.25	7.00
May 23	1527.25	1522.25	5.00
Jul 23	1519.50	1514.50	5.00
Aug 23	1488.50	1483.00	5.50
<b>Soymeal</b>			
Mar 23	493.10	491.10	2.00
May 23	478.00	474.90	3.10
Jul 23	469.60	466.10	3.50
Aug 23	456.90	452.80	4.10
<b>Soyoil</b>			
Mar 23	62.04	61.51	0.53
May 23	62.18	61.75	0.43
Jul 23	61.76	61.49	0.27
Aug 23	61.05	60.95	0.10
<b>SRW</b>			
Mar 23	738.25	765.50	-27.25
May 23	750.50	776.25	-25.75
Jul 23	756.25	781.00	-24.75
Sep 23	765.00	789.75	-24.75
<b>HRW</b>			
Mar 23	861.75	906.50	-44.75
May 23	856.75	895.75	-39.00
Jul 23	851.00	883.25	-32.25
Sep 23	853.00	880.50	-27.50
<b>MGEX (HRS)</b>			
Mar 23	908.00	930.25	-22.25
May 23	904.00	923.50	-19.50
Jul 23	897.25	916.75	-19.50
Sep 23	882.25	898.75	-16.50

\*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:** A strong Pacific weather system moved across the West on February 22, with a low pressure and frontal system spreading rain and snow from the Plains to Mississippi Valley and across northern states. A series of weather systems will follow during February 23-28, spreading an inch or more of precipitation from Oklahoma to the Great Lakes, from the Tennessee to Ohio Valleys, and across much of the Northeast, as well as along the West Coast and into the interior West. Some precipitation totals will exceed 2 inches in the Upper Mississippi Valley and western Great Lakes, and exceed 4 inches along coastal Washington and California and into the Sierra Nevada range. The Gulf of Mexico Coast, western parts of the Great Plains, and parts of the Mid-Atlantic Coast will see little to no precipitation. High pressure over the Gulf of Mexico will keep temperatures warmer than normal from the southern Plains to Ohio Valley and Gulf Coast to Mid-Atlantic Coast, while temperatures will be cooler than normal across the Far West to northern Plains.

For February 28-March 8, the outlook favors colder-than-normal weather across the West and Alaska, with warmer-than-normal weather from the southern Plains to Atlantic Coast and Great Lakes. Above-normal precipitation is likely across Alaska, the western CONUS, and much of the CONUS east of the Rockies except along the Gulf Coast where below-normal precipitation is favored.

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. Presidents Day holiday this week, the Export Sales report is delayed until Friday, 24 February 2023. Updated export statistics will be provided in next week's report.

U.S. Export Inspections: Week Ending February 16, 2023					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	2,154	10,010	-78%
Corn	622,841	563,448	13,734,599	21,649,768	-37%
Sorghum	71,805	909	569,444	2,874,564	-80%
Soybeans	1,578,066	1,693,288	41,387,331	39,969,259	4%
Wheat	373,429	472,327	14,659,515	15,080,232	-3%

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 February 16, 2023						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	4,698	1%	0	0%	0	0%
Gulf	406,101	68%	24,200	100%	70,753	99%
PNW	0	0%	0	0%	0	0%
Interior Export Rail	187,842	31%	0	0%	1,052	1%
<b>Total (Metric Tons)</b>	<b>598,641</b>	<b>100%</b>	<b>24,200</b>	<b>100%</b>	<b>71,805</b>	<b>100%</b>
White Corn Shipments by Country (MT)			24,200	to Colombia		
<b>Total White Corn</b>			<b>24,200</b>			
Sorghum Shipments by Country (MT)					70,753	to China
					910	to Mexico
					122	to Panama
					20	to Japan
<b>Total Sorghum</b>					<b>71,805</b>	

Source: USDA, World Perspectives, Inc.

<b>Yellow Corn (USD/MT FOB Vessel*)</b>				
<b>YC FOB Vessel</b> Max. 15.0% Moisture	<b>GULF</b>		<b>PNW</b>	
	<b>Basis</b>	<b>Flat Price</b>	<b>Basis</b>	<b>Flat Price</b>
	<b>(#2 YC)</b>	<b>(#2 YC)</b>	<b>(#2 YC)</b>	<b>(#2 YC)</b>
<b>March</b>	0.89+H	\$294.77	1.50+H	\$318.98
<b>April</b>	0.91+K	\$295.36	1.54+K	\$320.16
<b>May</b>	0.90+K	\$294.77	1.53+K	\$319.77
<b>June</b>	0.99+N	\$294.96	1.60+N	\$319.17
<b>July</b>	0.95+N	\$293.39	1.55+N	\$317.21
<b>August</b>	1.26+U	\$285.61	1.85+U	\$309.04

<b>Sorghum (USD/MT FOB Vessel*)</b>				
<b>#2 YGS FOB Vessel</b> Max 14.0% Moisture	<b>NOLA</b>		<b>TEXAS</b>	
	<b>Basis</b>	<b>Flat Price</b>	<b>Basis</b>	<b>Flat Price</b>
<b>March</b>	N/A	N/A	2.50+H	\$358.35
<b>April</b>	N/A	N/A	2.50+K	\$357.95
<b>May</b>	N/A	N/A	2.50+K	\$357.95

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

<b>Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)</b>				
	<b>March</b>	<b>April</b>	<b>May</b>	
<b>New Orleans</b>	\$285	\$285	\$285	
<i>Quantity 5,000 MT</i>				

<b>Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)</b>				
<b>Bulk 60% Pro.</b>	<b>March</b>	<b>April</b>	<b>May</b>	
<b>New Orleans</b>	\$810	\$810	\$810	
<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: February 23, 2023 (USD/MT)**  
 (Quantity, availability, payment, and delivery terms vary)

<b>Delivery Point Quality Min. 35% Pro-fat combined</b>	<b>March</b>	<b>April</b>	<b>May</b>
Barge CIF New Orleans	346	344	343
FOB Vessel GULF	349	348	346
Rail delivered PNW	363	362	361
Rail delivered California	370	369	367
Mid-Bridge Laredo, TX	362	362	360
FOB Lethbridge, Alberta	340	340	338
40 ft. Containers to South Korea (Busan)	377	377	380
40 ft. Containers to Taiwan (Kaohsiung)	414	414	417
40 ft. Containers to Philippines (Manila)	404	404	405
40 ft. Containers to Indonesia (Jakarta)	382	374	385
40 ft. Containers to Malaysia (Port Kelang)	392	384	395
40 ft. Containers to Vietnam (HCMC)	387	379	390
40 ft. Containers to Japan (Yokohama)	N/A	N/A	N/A
40 ft. containers to Thailand (LCMB)	397	389	400
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)	377	361	380
KC Rail Yard (delivered ramp)	338	337	336
Elwood, IL Rail Yard (delivered ramp)	326	325	324

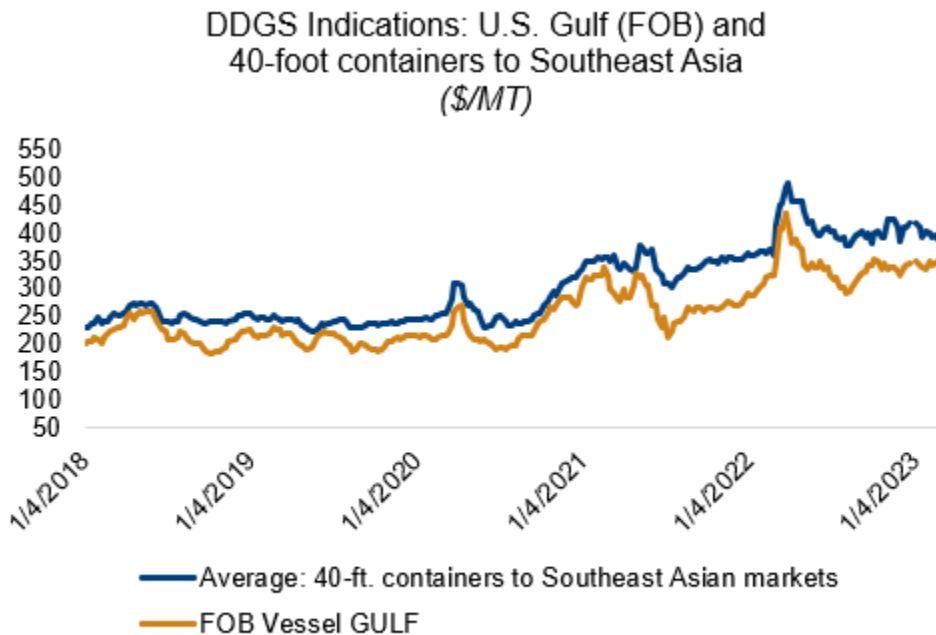
*Source: World Perspectives, Inc. \*Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

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

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**DDGS Comments:** DDGS values are \$2-3/MT lower this week amid growing supplies and falling cash soymeal values. The DDGS/Kansas City soymeal ratio is at 0.50 this week, steady with last week and equal to the three-year average of 0.50. The DDGS/cash corn ratio edged lower again this week at 1.08, below last week's value and equal to the three-year average.

Barge CIF NOLA offers are \$3/MT higher this week as barge freight rates rallied at mid-week while FOB NOLA offers steady for spot and Q2 positions. Offers for 40-foot containers to Southeast Asia are \$10-15/MT lower this week at \$390/MT.



Source: World Perspectives, Inc.

## Country News

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**Argentina:** Recent showers have helped but more is needed. The Rosario Grains Exchange expects corn exports to fall 40 percent, year-on-year, as smaller output due to drought will constrain exports. (Reuters)

**Algeria:** Government agency ONAB tendered for 30-40 KMT of Argentinian corn. (AgriCensus)

**Brazil:** AgRural reports that as of a week ago, second crop corn planting had reached 40 percent, versus 53 percent a year ago. (Reuters)

**China:** Trial use of GMO corn on a previously announced 267,000 hectares will be expanded. However, some are skeptical since land is scarce and what is available involves worn out soils. (Reuters)

**EU:** France AgriMer reports that farmers have sown more than half of the expected spring barley area. (AgriCensus)

**Japan:** The use of corn in feed rations fell to 46.3 percent in December. (Reuters)

**Jordan:** Government agency MIT purchased 60 KMT of barley for July shipment. (AgriCensus)

**Korea:** NOFI is seeking two cargoes of corn for June delivery and buyers booked 202 KMT of corn in private/tender deals. FLC bought 65 KMT of corn from the U.S. without a tender and paid \$337.99/MT plus a \$1.50/MT surcharge for multiple port discharging. Delivery will be around 6 June. (AgriCensus; Reuters)

**Tunisia:** The state grains buying agency procured 75 KMT of barley at \$300/MT with shipment scheduled during March. (Refinitiv)

**Ukraine:** Corn production in 2023/24 will be 21.1 MMT and exports 20 MMT, according to the Ukrainian Grain traders' union. The consultancy APK-Inform believes corn exports this year will be 23 MMT. (Reuters)

## Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
February 23, 2023			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$48.50	Up \$0.50	Handymax \$48.00 mt
55,000 U.S. PNW- Japan	\$26.50	Up \$0.50	Handymax at \$26.50 mt
66,000 U.S. Gulf – China	\$48.00	Up \$1.00	North or South China
PNW to China	\$26.00	Up \$0.50	
25,000 U.S. Gulf - Veracruz, México	\$21.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$18.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$27.00	Unchanged	West Coast Colombia at \$30.00
<u>50,000 MT U.S. Gulf to East Coast Colombia</u>	\$25.00		
From Argentina	\$35.00		
43-45,000 U.S. Gulf - Guatemala	\$34.50	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 US Gulf - Morocco	\$32.00	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.50	Up \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$30.00		Romania - Russia - Ukraine \$14.50 -\$17.00 - \$32.00 France \$23.00, Bulgaria \$15.50
60-70,000 U.S. Gulf – Europe, Rotterdam	\$24.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos – China	\$37.75	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$35.50		60-66,000 Post Panamax
Northern Coast Brazil - China	\$41.50		55-60,000 mt
56-60,000 Argentina/Rosario-China, Deep Draft	\$40.50	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:** Dry-bulk markets finally hit bottom and bounced higher this week. FFA paper markets are leading the rally and trying to convince everyone that the forward outlook is now bullish. They believe things can only go up from here. Physical markets want to follow the new optimism but are not as confident about things as the paper traders seem to be. The market still needs to see increases in physical cargo demand and not just FFA paper buying. Hope springs eternal. March Panamax daily hire rates are up \$2,000/day this week to \$11,000/day, with Q2 2023 at \$14,000/day.

Baltic-Panamax Dry-Bulk Indices				
February 23, 2023	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	18,409	14,418	3,991	27.7
P3A: PNW/Pacific– Japan	9,912	7,657	2,255	29.5
S1C: U.S. Gulf-China-S. Japan	18,164	13,307	4,857	36.5

Source: O'Neil Commodity Consulting

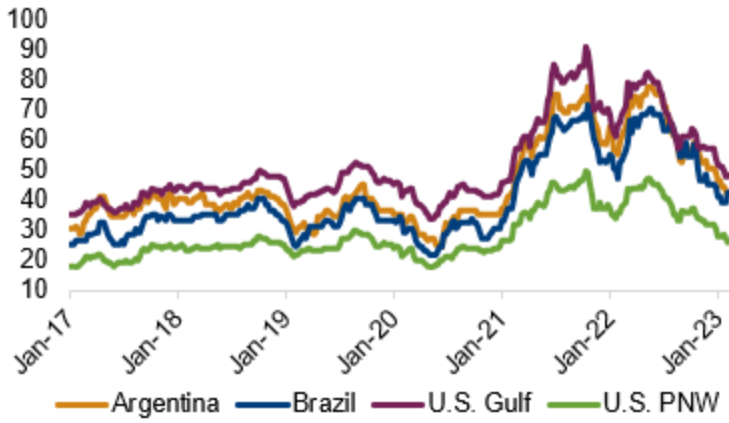
Capesize Vessel Freight Values	
Western Australia to South China (iron ore)	
Four weeks ago:	\$6.70-6.80
Three weeks ago:	\$6.35-6.70
Two weeks ago:	\$6.15-6.30
One week ago:	\$6.10-6.15
This week	\$6.10-6.30

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
February 23, 2023	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.55	0.83	0.72	\$28.34	GULF
Soybeans	2.05	0.98	1.07	\$39.32	GULF
Ocean Freight	\$25.50	\$47.00	0.55-0.59	\$21.50	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**  
**February 23, 2023**

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		48.50	-3.00	-5.8%	-20.00	-29.2%	
U.S. PNW	Japan	26.50	-1.75	-6.2%	-11.75	-30.7%	
Argentina		41.50	-3.00	-6.7%	-20.00	-32.5%	
Brazil		42.50	3.00	7.6%	-11.00	-20.6%	
U.S. Gulf		48.00	-3.00	-5.9%	-19.50	-28.9%	
U.S. PNW	China	26.00	-2.50	-8.8%	-11.50	-30.7%	
Argentina		40.50	-2.00	-4.7%	-24.00	-37.2%	
Brazil		37.75	-5.75	-13.2%	-27.75	-42.4%	
U.S. Gulf		24.30	-3.70	-13.2%	0.30	1.3%	
Argentina	Europe	60.50	4.00	7.1%	20.50	51.3%	
Brazil		61.50	4.00	7.0%	18.50	43.0%	
Argentina	Saudi Arabia	62.50	-4.00	-6.0%	6.00	10.6%	
Brazil		76.50	2.00	2.7%	12.00	18.6%	
U.S. Gulf		29.50	-1.50	-4.8%	-27.50	-48.2%	
U.S. PNW	Egypt	30.70	-8.10	-20.9%	-16.80	-35.4%	
Argentina		71.50	4.00	5.9%	11.00	18.2%	
Brazil		75.50	4.00	5.6%	8.00	11.9%	
<i>Handysize Vessels</i>							
U.S. Gulf		32.00	-1.00	-3.0%	-25.50	-44.3%	
U.S. Great Lakes	Morocco	N/A	N/A	N/A	N/A	N/A	
Argentina		65.50	5.00	8.3%	12.00	22.4%	
Brazil		67.50	4.00	6.3%	11.00	19.5%	
U.S. Great Lakes	Europe	N/A	N/A	N/A	N/A	N/A	
Brazil		63.00	-2.90	-4.4%	6.40	11.3%	
Argentina	Algeria	65.50	4.00	6.5%	9.00	15.9%	
Brazil		68.50	4.00	6.2%	11.00	19.1%	
U.S. Gulf		27.00	-2.00	-6.9%	-9.50	-26.0%	
U.S. PNW	Colombia	20.00	-10.50	-34.4%	-21.30	-51.6%	
Argentina		35.00	-1.00	-2.8%	-15.50	-30.7%	
<i>Shipping Indexes</i>							
Baltic Dry Index		552	-188	-25.4%	-1493	-73.0%	

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.